

BRIGHTSPIRE CAPITAL ADVISORS, LLC

Form ADV, Part 2A

BROCHURE

Business Address: 590 Madison Avenue, 33rd Floor, New York, NY 10022

Contact Information: David A. Palamé
Chief Compliance Officer
590 Madison Avenue, 33rd Floor, New York, NY 10022
Phone: 212-547-2631
Fax: 646-837-5323
Email: dpalame@brightspire.com

Website Address: www.brightspire.com

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This brochure (“Brochure”) provides information about the qualifications and business practices of BrightSpire Capital Advisors, LLC (“BrightSpire Capital Advisors” or “Manager”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer (the “CCO”).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Manager is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training. Additional information about the Manager is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There have been no material changes to the advisory business of BrightSpire Capital Advisors, LLC (“BrightSpire Capital Advisors” or the “Manager”) since the last brochure filed on March 31, 2022. While we do not believe this amendment contains any material changes, we have made certain enhancements and updates throughout. We encourage all recipients of this Brochure to read it carefully in its entirety.

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Item 4: Advisory Business

BrightSpire Capital

BrightSpire Capital Advisors, LLC (“BrightSpire Capital Advisors” or “Manager”) is a Delaware limited liability company that was formed in 2019 as CLNC Advisors, LLC. BrightSpire Capital Advisors is a controlled subsidiary of BrightSpire Capital, Inc. (NYSE: BRSP) (“BrightSpire Capital”), a commercial real estate credit real estate investment trust (“REIT”) focused on originating, acquiring, financing and managing a diversified portfolio of commercial real estate debt and net lease real estate investments predominantly in the United States. Commercial real estate debt investments primarily consist of senior mortgage loans, which BrightSpire Capital expects to be the primary investment strategy.

BrightSpire Capital is organized as a Maryland corporation and taxed as a REIT under the U.S. Internal Revenue Code of 1986, as amended. BrightSpire Capital is a public company registered with the SEC under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. BrightSpire Capital is subject to certain investment restrictions for the purpose of preserving (i) its treatment as a REIT for federal income tax purposes and (ii) its exemption from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). BrightSpire Capital is publicly traded on the New York Stock Exchange under ticker symbol “BRSP”.

BrightSpire Capital’s Investment Management Business

The Manager

The Manager is a controlled subsidiary of BrightSpire Capital, whose advisory business primarily consists of advising CLNC 2019-FL1, Ltd. (“CLNC 2019-FL1”) and BRSP 2021-FL1, Ltd. (“BRSP 2021-FL1”) and, with CLNC 2019-FL1, “Clients” or “CLOs”), and will likely in the future sponsor, co-sponsor and/or advise other Clients. As of the date hereof, the Manager does not advise any Clients other than the CLOs.

The primary business objective of the Manager is to serve as collateral manager and provide collateral management services to the CLOs, which includes reviewing and approving orders for new investment transactions until the end of each such CLO’s reinvestment period, unless such reinvestment period is earlier terminated in accordance with the collateral management agreement.

As of December 31, 2022, the Manager managed \$1,468,790,568 of Client assets (on a discretionary basis and \$0 in Client assets on a non-discretionary basis.

A Note about Client Disclosures

Investors and other recipients of this Brochure should be aware that while this Brochure may include information about a Client or BrightSpire Capital, as necessary or appropriate, the Brochure should not be considered to represent a complete discussion of the features, risks or conflicts associated with any Client or BrightSpire Capital. More complete information about a Client is included in the respective Client’s Governing Documents and/or BrightSpire Capital’s public filings or may be provided to current and eligible prospective investors only by a Client, BrightSpire Capital or another authorized party. In no event should this Brochure be considered to be an offer of interests in BrightSpire Capital or any Client or relied upon in any determination to invest in BrightSpire Capital or any Client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of the Brochure. Rather, this Brochure is designed to provide information about Manager for the purpose of compliance with Manager’s obligations under the Advisers Act. Accordingly, the Brochure responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in any Client’s Governing Documents. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Document, the relevant Governing Document shall govern.

Item 5: Fees and Compensation

Fees are separately determined for each Client. As a general matter, the Manager and its affiliates are entitled to receive management fees pursuant to advisory contracts and other agreements with clients, as described in more detail below.

Management Fees

The respective collateral management agreement between the Manager and each CLO provides for a collateral manager fee, payable monthly in arrears on each payment date, equal to 0.10% per annum of the sum of the net outstanding portfolio balance as of such payment date; provided, however, that the Manager has agreed to waive its entitlement to such collateral manager fee for so long as the Manager (or an affiliate thereof) is the collateral manager.

There can be no assurance that any non-affiliated replacement collateral manager will also waive the right to receive such collateral manager fee.

Other Fees and Expense Reimbursements

Expense Reimbursements

The Manager will be responsible for its own overhead and expenses incurred in the course of performing its obligations under the collateral management agreement for each Client; provided that the Manager will be entitled to reimbursement for certain out-of-pocket expenses, including, without limitation, expenses and costs incurred in effecting or directing purchases and sales of commercial real estate (“CRE”) loans and eligible investments, negotiating with borrowers under the CRE loans as to proposed modifications or waivers, taking action or advising the trustee with respect to its Clients’ exercise of any rights or remedies in connection with such CRE loans or eligible investments, participating in committees or other groups formed by creditors of the borrower under a CRE loan, consulting with and providing rating agencies with any information in connection with its maintenance of the ratings of the issued notes, expenses related to the provision of information in order to render the issued notes eligible for resale pursuant to Rule 144A, reasonable travel expenses (airfare, meals, lodging and other transportation) undertaken in connection with the Manager’s duties pursuant to the collateral management agreement and for an allocable share of the cost of certain credit databases utilized by the Manager in providing services to the CLOs under the collateral management agreement.

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

Performance-based compensation arrangements, if any, are negotiated with each client on an individualized basis and will in all cases be in compliance with Section 205(3) of, or Rule 205-3 under, the Advisers Act. The payment of performance-based compensation may be subject to a specified “hurdle” rate. At the time of this filing, Manager’s Clients do not pay performance-based compensation but Manager may in the future advise Clients that do so.

Performance-based compensation may be deemed to create a conflict of interest for Manager because there could be an incentive for the Manager to: (i) value assets in a manner that increases Manager’s remuneration and (ii) make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation. In addition, if a Client pays a performance-based fee or allocation while others do not, or if different Clients pay different levels of asset- or performance-based fees or allocations, this may give rise to potential conflicts of interest. For example, Manager would have an incentive to favor Clients for which it begins receiving incentive fees at a lower “hurdle” rate because Manager would benefit more from the improved performance of such Client. Similarly, Manager would have an incentive to favor those Clients that pay greater management fees or receive fees over those Clients that pay a lesser management fee and/or Clients that pay acquisition or origination fees versus companies that do not pay acquisition or origination fees, because Manager would receive greater compensation by doing so.

The allocation of Manager's expenses among Clients may also create conflicts of interest. The Manager will allocate certain expenses associated with managing Client assets among the applicable Clients, based on the services provided to each Client and the limitations set forth in each Client's Governing Documents. This may create incentives for Manager to allocate investment opportunities among Clients, based on the adviser's expenses that the Clients will assume. In addition, Manager's expense allocations may impact whether or not certain performance hurdles are met by a Client, which can impact whether Manager receives incentive fees. This creates a conflict of interest and may create an incentive for Manager to allocate expenses disproportionately among Clients.

Manager seeks to treat all Clients in a fair and equitable manner over time and will act in a manner that it believes to be in the best interests of the Managed Vehicles. To that end, as and when applicable, Manager has available a variety of policies and other controls regarding, among other things, the allocation of investment opportunities. Please see ***"Item 12: Brokerage Practices"*** below for more information.

Item 7: Types of Clients

Manager currently provides investment advice only to the CLOs, but it will likely in the future provide investment advice to other Clients, which may include pooled investment vehicles, co-investment vehicles and real estate finance companies, which may be in the form of corporations, limited partnerships or limited liability companies. The Manager does not have requirements for opening or maintaining accounts. However, there may be conditions for investing in Managed Vehicles, including minimum investment amounts, which are stated in their respective Governing Documents for each Managed Vehicle. For Managed Vehicles with minimum investment amounts, the Governing Documents generally note that the general partner or company, as applicable, has the discretion to reduce or waive the minimum investment amount.

As a general matter, any Managed Vehicle Client would be managed in accordance with its investment objectives, strategies and guidelines and is not tailored to the individual needs of any particular investor and an investment in a Managed Vehicle does not, in and of itself, create an advisory relationship between the investor and Manager. Therefore, investors must consider whether the Managed Vehicle meets their investment objectives and risk tolerance prior to investing in a Managed Vehicle.

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

Methods of Analysis and Investment Strategies

The Manager will invest in CRE loans that are eligible investments on behalf of the CLOs. Eligible investments are generally limited to senior mortgage loans that are backed by CRE assets. These loans are secured by a first mortgage lien on a commercial property and provide mortgage financing to a commercial property developer or owner. The loans may vary in duration, bear interest at a fixed or floating rate and amortize, if at all, over varying periods, often with a balloon payment of principal at maturity. The eligible investments may include participation interests in senior mortgage loans and/or related mezzanine loans secured by equity interests in the related mortgage borrower of the applicable senior mortgage loan.

As a general matter, Manager will provide investment strategies consistent with the investment objectives and needs of each Client.

Leverage Strategy

The Manager may employ leverage on behalf of a Client. Financing strategies may be multi-pronged and may include a secured revolving credit facility, secured revolving repurchase facilities, non-recourse securitization financing, commercial mortgages and other asset-level financing structures. In addition, the Manager may evaluate and use other forms of financing, including additional warehouse facilities, public and private secured and unsecured debt issuances

and equity or equity-related securities issuances by a Client or its subsidiaries. A Client may also finance a portion of its investments through the syndication of one or more interests in a whole loan or securitization.

Hedging

Accounts may be hedged using various derivative instruments, including currency and foreign exchange derivatives, interest rate swaps, caps, floors and other interest rate exchange contracts as well as engaging in short sales of securities or of futures contracts. The Manager does not use hedging for speculative purposes.

Material Risks

Risk of Loss

An investment in the CLOs (or similar Clients) involves risk. There is no certainty of return with respect to any such investment. There is no guarantee that the CLOs will achieve their goals, objectives or targeted returns (as applicable). Investors may lose all or a portion of the value of their investment and, as such, should not invest unless they can readily bear the consequences of such loss.

Below is a summary of certain risks associated with an investment in the notes issued by the CLOs or similar Clients. Investors should refer to the risk factors in each Client's Governing Documents, or other documents (as applicable) provided to, or made available to, prospective investors for a more complete description of the risks associated with the investment in such Clients. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the CLOs or similar Clients. These risk factors include certain risks Manager believes to be material, significant or unusual and relate to particularly significant investment strategies or methods of analysis employed by Manager.

General Risks

Deterioration in Economic Conditions May Adversely Affect the Value of the Notes

Over the life of the notes, the real estate and securitization markets, including the market for CRE securities ("CRE Securities"), as well as financial markets and the economy generally, may experience periods of deterioration causing significant dislocations, illiquidity and volatility, which may affect the value of CRE Securities, including the notes. During such periods, real estate-related risks, as set forth in further detail below, may cause increased delinquencies and defaults on CRE loans, which would likely have an adverse effect on the value and/or liquidity of CRE Securities (including the notes) that are backed by loans secured by such commercial real estate. Moreover, during such periods, it may be more difficult for CRE borrowers to sell mortgaged properties and pay off loans, or refinance loans, as such loans become due. We cannot assure you that the CRE Securities market will not be adversely impacted by such factors. Even if the CRE Securities market is not affected by such factors, the mortgaged properties particularly may nevertheless suffer periods of deterioration causing, among other things, declining values, diminishing the credit profile of the underlying collateral interests and the notes.

In the event of defaults and/or losses on a collateral interest, the CLOs may suffer disruption of the cash flows received on such collateral interest, or a partial or total loss on the collateral interest, diminishing the cash available for timely payment of interest and principal on the notes.

Consequently, investors should consider developing economic conditions as they might affect conditions in the U.S. commercial real estate and mortgage markets generally and the collateral interests particularly.

Real Estate-Related Risk

- *Real Estate Risk.* The CLOs' investments in CRE loans are subject to risks typically associated with real estate. The value of real estate may be adversely affected by a number of risks, including, without limitation:
 - local, state, national or international economic conditions;
 - real estate conditions, such as an oversupply of or a reduction in demand for real estate space in an area;
 - tenant/operator mix and the financial condition and success of the tenant/operator business;
 - property management decisions;
 - property type, concentration risk, special uses and availability of alternative uses;
 - special risks associated with hospitality, office, multi-family, retail, self-storage and/or industrial properties;
 - property location and conditions and geographic concentration;
 - property operating costs, including insurance premiums, real estate taxes and maintenance costs;
 - the perceptions of the quality, convenience, attractiveness and safety of the properties;
 - branding, marketing and operational strategies;
 - competition from comparable properties;
 - the occupancy rate of, and the rental rates charged at, the properties;
 - the ability to collect on a timely basis all rent as well as tenant rollover concentration, timing and significant vacancies;
 - the effects of any bankruptcies or insolvencies;
 - the expense of leasing, renovation or construction;
 - stabilization of mortgaged properties following renovation, construction, lease-up and/or re-tenanting or other repositioning;
 - changes in interest rates, uncertainty of future performance of or discontinuance of LIBOR, implementation of a suitable benchmark replacement (including SOFR-based benchmarks);
 - unknown liens being placed on the properties;
 - bad acts of third parties;
 - the ability to refinance mortgage notes payable related to the real estate on favorable terms, if at all;
 - changes in governmental rules, regulations and fiscal policies;
 - tax implications;

- compliance with U.S. and European credit risk retention rules, including regulatory enforcement risk;
 - changes in laws, including zoning laws, use restrictions, building code compliance and/or other laws that increase operating expenses or limit rents that may be charged;
 - environmental considerations, including the impact of present or future environmental legislation and compliance with environmental laws, including costs of remediation and liabilities associated with environmental conditions affecting properties;
 - cost of compliance with the Americans with Disabilities Act of 1990;
 - adverse changes in governmental rules and fiscal policies;
 - social unrest and civil disturbances;
 - acts of nature, including earthquakes, hurricanes and other natural disasters;
 - terrorism, prevention of money laundering and know-your-client compliance considerations and economic sanctions;
 - insurance considerations, including adequacy and the potential for uninsured or underinsured property losses;
 - adverse changes in state and local laws, including zoning laws; and
 - other factors which are beyond control.
- *Commercial Real Estate Debt and Securities.* CRE debt and securities investments are generally directly or indirectly secured by a lien on real property. The occurrence of a default on a CRE debt investment could result in the CLOs acquiring ownership of the property. Manager does not know whether the values of the properties ultimately securing CRE debt and ultimately securing the mortgage loans underlying CRE securities will remain at the levels existing on the dates of origination of these underlying mortgage loans and the dates of origination of the loans ultimately securing the CRE securities, as applicable. If the values of the properties drop, the risk will increase because of the lower value of the collateral and reduction in borrower equity associated with the related loans. In this manner, real estate values could impact the values of CRE debt and securities investments. CRE equity investments may be similarly affected by real estate property values. Therefore, CRE equity, debt and securities investments are subject to the risks typically associated with real estate.
 - *Credit Spread Risk.* The CLOs' investments in CRE loans are subject to changes in credit spreads. When credit spreads widen, the economic value of such investments decrease. Even though such an investment may be performing in accordance with its terms and the underlying collateral has not changed, the economic value of the investment may be negatively impacted by the incremental interest foregone from the widened credit spread.
 - *Senior Participations.* The underlying documents with respect to the collateral interests that are senior participations will include, among other things, one or more participation agreements (or co-lender agreements or intercreditor agreements) that govern the relationship between the holders of the senior participations and the holders of the non-acquired participations. Title to a CRE loan that underlies a senior participation may be held by the CLOs or may be held by a participating institution that may or may not be an affiliate of the CLOs or their sponsor. With respect to senior participations where the CLO is not the holder of title to the underlying CRE loan, the CLO will not be in contractual privity with the underlying borrower, and instead must rely on the rights granted to it under the terms of the participation agreement.

As a result, the ability of the CLO to recover under the senior participation may be subject to the credit risk of the participating institution. Payments to the CLO will be affected if the participating institution fails to collect the funds in a timely fashion or files bankruptcy or is otherwise declared insolvent.

- *Future Funding Participations.* The related borrower may, subject to compliance with certain conditions, obtain future advances, the amounts of which were determined at the time the related participated loan was originated, to be applied for one or more purposes, including taxes and insurance, capital expenditures for construction or renovation of the related mortgaged property, tenant improvements and leasing commissions or debt service. However, there can be no assurance that such amounts will be sufficient to cover actual costs and expenses that the future advance was intended to address. If a future advance is made, but is insufficient to cover the related expenses, or if expected improvements in performance do not occur, despite completion of the work or lease-up for which such future advance is being made, the amount of debt secured by the related mortgaged property could increase as a result of such future advance, without a concurrent increase in the value or cash flow of such mortgaged property. Such risk may be increased if the future funding holder elects to waive conditions to the making of a future advance. If the holder of a future funding participation fails to fund a future advance when it is due under the related participated loan, there is a risk that the related borrower may default or claim a right of offset against its obligations under the related participated loan, which would result in losses being allocated to the related collateral interest. Therefore, there can be no assurance that a failure to fund any future advance by the holder of a future funding participation will not cause payments on the related collateral interest to be interrupted. In addition, the related borrower may assert lender liability claims against the lender under the participated loan.
- *Market Volatility and Due Diligence Risk.* Periods of market volatility and lack of liquidity may make the valuation process pertaining to certain of the CLOs' assets difficult. Manager's estimate of fair value, which will be based on the notion of orderly market transactions, requires significant judgment and consideration of other indicators of value such as current interest rates, relevant market indices, broker quotes, expected cash flow and other relevant market data as appropriate. Manager's estimates could be wrong and there is a heightened risk of this during challenging and volatile market environments. The amount that the CLOs could obtain if Manager were forced to liquidate investments into the current market could be materially different than management's best estimate of fair value.

Risks Related to the Offered Notes

The notes offered by the CLOs (the "Offered Notes") are not suitable investments for all investors. Structured investment products like the Offered Notes are complex instruments involving a high degree of risk and are intended for sale only to sophisticated investors capable of understanding and assuming such risks. As a result, an investment in the Offered Notes involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities, who have conducted appropriate diligence on the collateral interests and the Offered Notes and have consulted their own professional advisors as to the risks involved in making such a purchase, including without limitation, the following risks:

- limited liquidity and restrictions on transfer;
- limited recourse obligations;
- the CLOs will have no substantial assets other than the collateral interests;
- third-party litigation;
- risks related to ratings of the Offered Notes, reliance on such ratings and the satisfaction of rating agency conditions;

- lack of noteholder rights to direct and consult with the servicer, special servicer and the CLOs;
- rights to exercise remedies following events of default;
- dependence of the CLOs on the Manager.

Public Health Risk

There is currently an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a pandemic. The outbreak of COVID-19 has adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The impact of COVID-19 has led to significant volatility in the global public equity and commercial real estate markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on Clients, and could adversely affect a Client’s ability to fulfill its investment objectives. The extent of the impact of any public health emergency on a Client’s operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

Acts of God and Geopolitical Risks

The performance of Clients could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, “Disruptions”), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19 (Coronavirus), SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment’s profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions. In addition, there is a risk that a Disruption will significantly impact the operations of the Manager or Clients. The extent of the impact of any such Disruptions on the Manager and Clients will depend on many factors, including the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its Disruptions to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A Disruption may materially and adversely impact the value and performance of any investment, the Manager’s ability to source, manage and divest investments, and the Manager’s ability to achieve the Client’s investment objectives, ultimately resulting in significant losses to the Clients and their investors.

Compliance with Advisers Act

The Manager has covenanted in the collateral management agreement that neither it nor any of its affiliates will cause the CLOs or the co-issuer to enter into any transaction to acquire a collateral interest unless such transaction complies with the requirements of Section 206(3) of the Advisers Act. Nevertheless, there can be no assurances that the Manager and/or its affiliates will so comply. None of the CLO, the co-issuer, the placement agents, the trustee or their respective affiliates makes any warranty or representation as to such compliance, and each purchaser of the Offered Notes, as a condition of

such purchase, were deemed to agree that none of the foregoing persons will have any liability whatsoever for any failure so to comply.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

The Manager is a controlled subsidiary of BrightSpire Capital, Inc. (“BrightSpire Capital”), a commercial real estate credit REIT and investment management firm publicly traded on the New York Stock Exchange.

Item 11: Code Of Ethics, Participation Or Interest In Client Transactions And Personal Trading

Code of Ethics

The Manager has adopted a Code of Ethics (the “Code”) that applies to all of the Manager’s personnel. This Code describes the standard of conduct that Manager requires of all of its personnel and describes certain restrictions on activities such as personal trading, receipt of material, non-public information, and engaging in outside business activities. Compliance with the Code is a condition of employment for all of Manager’s personnel, and a serious violation of the Code or its related policies may result in serious reprimand, up to and including dismissal. Certain key provisions of the Code are summarized below. Manager will provide a copy of the Code to any client or prospective client upon request.

Personal Trading

Personnel considered “access persons” within the meaning of Rule 204A-1 under the Advisers Act may purchase and sell for their own accounts the same securities purchased or sold on behalf of Clients. However, given the nature and size of the real estate investments made on behalf of Clients, such personal trading activity is not expected to be likely. Notwithstanding the probability of such activity, because the Code permits personnel to invest in the same securities as Clients, there is a possibility that personnel might benefit from market activity by a Client in a security or other investment held by an employee. To mitigate this possible conflict of interest and others that may arise, Manager has established policies requiring “access persons” to obtain pre-clearance before investing in certain reportable securities such as initial public offerings and private placements (including private equity fund and hedge fund investments). In addition, Manager monitors for conflicts of interest on a periodic basis and will not allow any of its “access persons” to buy or sell securities for their own accounts at or about the same time that Manager buys or sells securities or other investments for Clients if Manager feels that there is a possibility that the personal trade would benefit from Manager’s investment activities.

All personnel of the Manager are required to annually certify that they have complied with the Code and Manager’s access persons are required to make annual reports regarding their personal securities account holdings and quarterly reports regarding their personal securities trading activity.

Participation or Interest in Client Transactions

Manager’s personnel must obtain prior permission of the CCO or designee for certain transactions that appear to pose a conflict of interest or otherwise appear improper. In particular, all personnel of the Manager must have written pre-clearance for all transactions involving initial public offerings and private placements before completing the transactions. Additionally, co-investments with Clients could present conflicts of interest if not properly structured

and monitored. As such, all personnel of the Manager must have pre-clearance for all transactions involving co-investments alongside Clients before completing the transactions. The CCO or designee is responsible for monitoring co-investments by Manager and its personnel. To the extent applicable, a list of restricted securities in which Manager may have material non-public information will be maintained in accordance with the Code. All personnel of the Manager are prohibited from trading in issuers on the restricted list unless specifically approved by the CCO or designee.

Gifts and Entertainment

Manager and its personnel are subject to policies governing the types and value of gifts and forms of entertainment that its personnel may accept from broker-dealers, vendors, current or prospective clients.

Cross-Trades and Principal Transactions

The Manager does not expect to make cross trades among Clients. To the extent the Manager was presented with a cross trade opportunity, the Manager only will execute cross trades between client accounts when such a transaction is reasonably expected to be advantageous to both participants. Any such transactions must be in accordance with applicable law, Governing Documents and Manager's internal policies and procedures.

The Manager from time to time executes principal trades between one or more Clients and the balance sheet of BrightSpire Capital, the Manager's parent company. The Manager may also be considered to be engaging in a principal transaction if it were to enter into a transaction between a Client advised by the Manager and an affiliate. In cases where the Manager would be deemed to be engaging in a principal transaction, the Manager will disclose to any applicable Clients the capacity in which it or an affiliate is acting and obtain such Client's (or such Client's authorized board of directors, advisory committee or similar governing body) consent before the completion of each transaction. Principal transactions also create potential conflicts of interest, including conflicts related to pricing and execution costs of the transaction. The Manager will take steps to manage or avoid conflicts of interest when engaging in such transactions in accordance with applicable law and the Governing Documents of the applicable Client, as applicable.

Other Conflicts

The Manager will manage investments on behalf of different Clients. Certain Clients have investment programs that are similar or may overlap and may, therefore, participate with each other in (or compete for) investments. Because of the diversity of investment strategies and objectives, risk tolerances, capital positions, tax situations and differences in the timing of capital contributions and withdrawals, there will be differences in invested positions held or investment appetites among the Clients. Any allocation of investments among the Clients by the Manager will be made in a manner consistent with each Client's investment objectives. Investment decisions and allocations are not necessarily made in parallel among all of the Clients. In all cases, allocation requirements (if any) set forth in the Clients' Governing Documents will control. The Manager in its sole discretion may allow multiple Clients to co-invest in a particular investment, based upon a variety of factors including, among other factors, investment strategy, mandate or area of focus; risk management (*e.g.*, volatility, liquidity, diversification and concentration in light of each Client's existing portfolio and investment pipeline); fund restrictions or limitations; tax or legal considerations; and cost or availability of financing. Because the Manager may allocate a particular investment among the Clients unequally, the Clients may produce results that are materially different from one another. (See *Item 12: Brokerage Practices--Allocation Policy*.)

Item 12: Brokerage Practices

Transaction Execution and Broker-Dealer Selection

Manager seeks to minimize the cost and expense of investment transactions effected on behalf of the CLOs while also seeking to achieve the most efficient structure of such investments, taking into account, among other things, tax, regulatory and client-specific considerations. These costs and expenses may vary, and transactions may be effected differently for one

Client than another, as a result of various factors, including, without limitation, the location of a client, the location and nature of the particular investment involved, and other Client-specific considerations. If applicable, the Manager may aggregate assets among Clients in connection with a portfolio sale in order to seek best execution for each Client. In such instances, the applicable Client shares transaction expenses on a pro-rata basis.

Manager may use unaffiliated brokers, which are selected on the basis of: (i) the reasonableness of such brokers' commissions relative to others offering similar services; and (ii) the ability of such brokers to obtain best execution. Not all portfolio transactions require or involve a broker-dealer. When it is deemed necessary or appropriate to involve a broker-dealer in transactions for a CLO, if applicable, such transactions will be allocated to brokers and dealers on the basis of best execution policies to be considered and adopted ahead of any such decision. The factors to be considered in selecting and approving brokers-dealers that may be used to execute trades for such CLO's accounts include, but are not limited to: (i) the reasonableness of the broker-dealer's commissions relative to others offering similar services; (ii) the ability of such broker-dealer to execute a transaction efficiently and appropriately; (iii) the broker-dealer's general expertise and background; (iv) the type and size of the transaction involved; (v) the stability or solvency of the service provider or counterparty; (vi) settlement capabilities; (vii) time required to complete the role sought; and (viii) research services or any arrangements relating to overall performance in the best interest of the client.

Manager accepts only proprietary research from the brokers and does not enter into any formal soft dollar arrangements whereby it receives research or any other benefit from third parties. Research services received from brokers and dealers are supplemental to the Manager's own research effort. To the best of the Manager's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Manager does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services. Manager's acceptance of research from brokers is done in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Allocation Policy

The Manager will allocate investment opportunities that may be suitable for the CLOs or BrightSpire Capital, as applicable, in accordance with an investment allocation policy. The investment allocation policy, described in further detail below, seeks to ensure that investment opportunities are allocated in a fair and equitable manner over time, consistent with the Manager's fiduciary duty to its Clients and in a manner that is consistent with each of its Client's particular characteristics, including their investment objectives, restrictions and risk profile. Generally, as a fiduciary, the Manager is prohibited from making investment allocation decisions solely based on any of the following considerations, which include but are not limited to: (i) unduly favoring one Client (or group of Clients) at the expense of another, including any proprietary or personal accounts of its associated persons or affiliates of the Manager; (ii) generating higher fees paid by one Client (or group of Clients) over another or to produce greater performance compensation to the Manager; (iii) compensating a Client (or group of Clients) for past services or benefits rendered to the Manager or to induce future services or benefits to be rendered to the Manager; and (iv) managing or equalizing investment performance among different Clients (or group of Clients).

When making investment allocation decisions regarding a suitable investment for one or more Clients, the Manager will take into account, without limitation: (i) investment objectives, dedicated mandates, strategy and criteria; (ii) current and future cash requirements of the investment and the Client; (iii) the effect of the investment on the diversification of the portfolio, including by geography, size of investment, type of investment and risk of investment; (iv) leverage policy and the availability of financing for the investment by each Client; (v) anticipated cash flow of the investment to be acquired; (vi) income tax effects of the investment; (vii) the size of the investment; (viii) the amount of funds available for investment; (ix) ramp-up or draw-down periods; (x) cost of capital; (xi) risk return profiles; (xii) targeted distribution rates; (xiii) anticipated future

pipeline of suitable investments; (xiv) the expected holding period of the investment and the remaining term of the Client, if applicable; and (xv) legal, regulatory or tax considerations. If it is determined that an investment is most suitable for a particular Client, the investment will be allocated to such Client. If it is determined that an investment is equally suitable for two or more Clients, then the Manager may allocate the investment among such Clients in accordance with the governing agreements of such Clients or, if such agreements do not include an allocation provision, in a manner deemed fair and reasonable by the Manager, which may include allocation on a rotational basis. In general, a rotational allocation methodology means that if a Client has been previously allocated an investment as a result of the rotational process, it may be skipped in the rotation until all other Clients for which a particular investment is equally suitable have been allocated an investment. Subject to regulatory restrictions and SEC guidance, the Manager may deem it appropriate for a Client and one or more other Managed Vehicles to co-invest in an investment opportunity (based on available capital, among other relevant factors, to the extent required). The decision of how any potential investment should be allocated among Clients in many cases may be a matter of highly subjective judgment, which will be made by the Manager in its sole discretion; such transactions are not required to be presented to a Client's board of directors, advisory committee or similar governing body for approval, and there can be no assurance that any conflicts will be resolved in a particular Client's favor.

The investment allocation policy may be subject to amendment and change then-existing, or adopt additional, conflicts of interest resolution policies and procedures designed to support the fair and equitable allocation of investments and to prevent the preferential allocation of investment opportunities among entities with overlapping investment objectives.

Item 13: Review of Accounts

The Manager monitors the due diligence process applicable to potential investments for a Client, transaction structuring, acquisition budgets and transaction documentation. Additionally, the Manager has an investment committee that approves each investment (or other significant investment-related or corporate activity) made on behalf of a Client and the allocation of those investments, as discussed in Item 12.

Manager will provide Clients (and investors) with information as agreed to by Manager and/or in the Governing Documents of such CLO, which typically includes standard monthly CREFC® reporting and ongoing quarterly reporting providing property level updates, including business plan progress.

Item 14: Client Referrals And Other Compensation

Manager generally does not engage any parties to solicit Clients, nor does it receive compensation from sources other than its Clients for providing advice to its Managed Vehicle Clients.

Item 15: Custody

The Manager does not have custody of CLNC 2019-FL1 or BRSP 2021-FL1. Although not currently the case at the time of this filing, in the future, in connection with the management of investments for Clients, the Manager may have, or may be deemed to have, custody of a Client's funds or securities. Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), which defines custody as holding Client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a Client's accounts or ownership of or access to Client funds or securities (such as through fee deductions).

Manager expects that each Client for which it is deemed to have custody will: (i) be audited at least annually by an independent public accountant; and (ii) distribute its audited financial statements prepared in accordance with generally accepted accounting principles to its investors within 120 days of its fiscal year-end. Investors should contact Manager if they fail to receive such financials timely.

Item 16: Investment Discretion

As a general rule, Manager receives discretionary investment authority from each Client at the outset of an advisory relationship. Depending on the terms of the Client's asset management or advisory agreement, Manager's authority may include the ability to select brokers and dealers through which to execute transactions on behalf of the relevant Client, and select the commission rates, if any, at which transactions are effected. In making decisions as to which securities are to be bought or sold and the amounts thereof, Manager is guided by the mandate selected by the Client and any investment guidelines or restrictions imposed by the Client. Manager generally is not required to provide notice to, consult with, or seek the consent of the Clients prior to engaging in transactions that fall within a Client's approved investment guidelines.

Item 17: Voting Client Securities

Due to the nature of Manager's investment programs, Manager does not ordinarily receive proxy voting proposals with respect to listed equity securities. However, if applicable, Manager may receive amendments, consents or resolutions applicable to investments held by Clients (collectively, "proxies") and is generally granted authority to vote and consent on such matters on behalf of Clients.

Manager seeks to vote each Client's proxies in the best interest of that Client and in a manner consistent with its fiduciary duties and, if applicable, will consider and adopt proxy voting policies and procedures designed to ensure that proxies are properly voted and that any conflicts of interest are addressed appropriately. Due to the difficulty of predicting and identifying material conflicts, Manager relies on its personnel, such as portfolio managers and/or investment management teams, to notify the CCO or designee of material conflicts that may impair Manager's ability to vote proxies appropriately. Manager may have conflicts of interest, for example, where it has a substantial business relationship with a company and a failure to vote in favor of a company management could harm Manager's relationship with company management. If a material conflict exists, the CCO or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the client, including, but not limited to, consulting with the legal department, outside counsel, a proxy consultant or the investment professionals responsible for the relevant portfolio investment. In each instance, when exercising its voting discretion, Manager seeks to avoid any direct or indirect conflict of interest between its clients and its voting decision. One Client's best interests with respect to a proxy vote may diverge from the interests of other Clients, Manager and/or Manager's affiliates. This may result in Manager casting votes for one Client that differs from votes cast for other Clients or in Manager taking other steps to mitigate any conflicts that may arise. In no event, however, will Manager be obligated to vote, or refrain from voting its own securities, securities held by another client or securities held by an affiliate in a manner that is inconsistent with Manager's view as to the best interests of such holders, simply because a Client has a differing interest.

Item 18: Financial Information

Not applicable.