

Bimini Advisors, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Bimini Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 772-231-1400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Bimini Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Bimini Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 25, 2022, we have no material changes to report.

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Item 4 Advisory Business

Description of Services and Fees

Bimini Advisors, LLC is a registered investment adviser based in Vero Beach, FL. We are organized as a limited liability company under the laws of the State of Maryland and we have been providing investment advisory services since 2012. Bimini Advisors Holding LLC is our principal owner. Bimini Advisors Holding LLC is a subsidiary of Bimini Capital Management, Inc., a public company.

We serve as investment adviser to Orchid Island Capital, Inc. ("OIC"), a publicly traded specialty finance company, whereby we provide portfolio management services tailored to meet OIC's needs and investment objectives.

Pursuant to a management agreement with OIC, we have discretion to determine the specific securities and the amount of securities, to be purchased or sold, the broker-dealer to be used and the commission rates to be paid for trades in OIC's accounts without approval prior to each transaction.

We manage OIC's portfolio on an ongoing basis and make changes to the portfolio as required by changes in market conditions and the objectives of OIC.

OIC may limit our discretionary authority (for example, limiting the types of investments that can be purchased for its account) by providing our firm with restrictions and guidelines in writing.

With respect to OIC we shall be responsible for performing the following as detailed in the management agreement between our firm and OIC:

- (i) forming and maintaining the Investment Committee;
- (ii) serving as OIC's consultant with respect to the periodic review of the investments, borrowings and operations of OIC and other policies and recommendations with respect thereto, including, without limitation, OIC's Investment Guidelines;
- (iii) serving as OIC's consultant with respect to the selection, purchase, monitoring and disposition of OIC's investments;
- (iv) serving as OIC's consultant with respect to decisions regarding any financings, hedging activities or borrowings undertaken by OIC or its Subsidiaries;
- (v) purchasing and financing investments on behalf of OIC;
- (vi) providing OIC with portfolio management;
- (vii) engaging and supervising, on behalf of OIC and at OIC's expense, independent contractors that provide real estate, investment banking, securities brokerage, insurance, legal, accounting, transfer agent, registrar and such other services as may be required relating to OIC's operations or investments (or potential investments);
- (viii) providing executive and administrative personnel, office space and office services required in rendering services to OIC;
- (ix) performing and supervising the performance of administrative functions necessary in the management of OIC;

- (x) communicating on behalf of OIC with the holders of any equity or debt securities of OIC as required to satisfy the reporting and other requirements of any governmental bodies or agencies or trading exchanges or markets and to maintain effective relations with such holders, including website maintenance, logo design, analyst presentations, investor conferences and annual meeting arrangements;
- (xi) counseling OIC in connection with policy decisions to be made by the Board of Directors;
- (xii) evaluating and recommending to OIC hedging strategies and engaging in hedging activities on behalf of OIC;
- (xiii) counseling OIC regarding its qualification and the maintenance of its qualification as a reit and monitoring compliance with the various reit qualification tests and other rules set out in the Code and U.S. Treasury regulations promulgated thereunder;
- (xiv) counseling OIC regarding the maintenance of its exemption from status as an investment company under the Investment Company Act and monitoring compliance with the requirements for maintaining such exemption;
- (xv) furnishing reports and statistical and economic research to OIC regarding the activities and services performed for OIC or its Subsidiaries, if any, by our firm;
- (xvi) monitoring the operating performance of OIC's investments and providing periodic reports with respect thereto to the Board of Directors, including comparative information with respect to such operating performance and budgeted or projected operating results;
- (xvii) investing and re-investing any monies and securities of OIC and advising OIC as to its capital structure and capital-raising activities;
- (xviii) causing OIC to retain qualified accountants and legal counsel;
- (xix) causing OIC to qualify to do business in all jurisdictions in which such qualification is required and to obtain and maintain all appropriate licenses;
- (xx) assisting OIC in complying with all regulatory requirements applicable to OIC in respect of its business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents, if any, required under the Exchange Act or the Securities Act or by the NYSE or other stock exchange requirements as applicable;
- (xxi) taking all necessary actions to enable OIC and any Subsidiaries to make required tax filings and reports;
- (xxii) handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which OIC may be involved or to which the Company may be subject arising out of OIC's day-to-day operations;
- (xxiii) arranging marketing materials, advertising, industry group activities (such as conference participations and industry organization memberships) and other promotional efforts designed to promote the business of OIC;

(xxiv) using commercially reasonable efforts to cause expenses incurred by or on behalf of OIC to be commercially reasonable or commercially customary and within any budgeted parameters or expense guidelines set by the Board of Directors from time to time;

(xxv) performing such other services as may be required from time to time for the management and other activities relating to the assets, business and operations of OIC as the Board of Directors shall reasonably request or our firm shall deem appropriate under the particular circumstances; and

(xxvi) using commercially reasonable efforts to cause OIC to comply with all applicable laws.

Types of Investments

We primarily invest in mortgage backed securities ("MBS") including fixed-rate MBS, adjustable-rate MBS ("ARM's"), hybrid adjustable-rate MBS ("hybrid ARM's") and structured MBS for OIC's portfolio.

Assets Under Management

As of December 31, 2022, we provide continuous management services for \$3,865,736,000 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Our fee for services is based on a percentage of the assets in OIC's portfolio and is set forth in the following fee schedule:

Net Assets Under Management	Annual Fee
Up to \$250 million	1.50%
\$250 million - \$500 million	1.25%
Over \$500 million	1.00%

Our annual fee is billed and payable monthly in arrears based on the value of OIC's portfolio on the last day of the month. We will invoice OIC for payment of our advisory fees and the advisory fee shall be payable within 5 days after the date of delivery of the invoice.

The management agreement with OIC may be terminated without cause upon 180 days written notice subject to the payment of a termination fee to our firm. The management agreement with OIC may be terminated with cause upon 30 days written notice in which case no termination fee shall be payable. OIC will incur a pro rata charge for services rendered prior to the termination of the agreement, which means it will incur advisory fees only in proportion to the number of days in the quarter for which OIC was a client.

Additional Fees and Expenses

OIC will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. We are also entitled to be reimbursed by OIC for certain costs which are incurred by our firm in connection with providing the services to OIC as described above.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We provide investment management services to Orchid Island Capital, Inc. a publicly traded specialty finance company.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to OIC:

Capital Allocation Strategy

We intend on utilizing two core strategies, which are designed to create and maintain a levered MBS portfolio and an unlevered structured MBS portfolio. The leverage applied to the MBS portfolio will typically be less than twelve to one. The capital applied to the two portfolios will vary over time and will be managed in an effort to maintain not only the level of income generated by the combined portfolios, but also the stability of the income stream, to the extent we can do so. Capital will be allocated so as to attempt to maintain the stability of the value of the combined portfolios. Typically, but not always, structured MBS and PT MBS exhibit materially different sensitivities to movements in interest rates, and to the extent they do so, may protect us against declines in the market value of our combined portfolio. However, there can be no assurance that we will be able to achieve such stability consistently, or at all. Finally, we will allocate OIC's capital between the two strategies so as to assist with our interest rate risk management efforts with respect to the levered portfolio and liquidity management.

Liquidity Management Strategy

As a result of our extensive use of leverage, we manage OIC's portfolio so as to maintain the liquidity needed to meet price related margin calls associated with the assets pledged to obtain such leverage. This is accomplished by the following measures:

- Owning securities with lower anticipated levels of prepayment so as to avoid excessive margin calls when monthly prepayments are announced. Prepayment speeds are typically made available prior to the receipt of the related cash flows, thus causing the market value of the related security to decrease prior to the receipt of the associated cash. This gives rise to a temporary collateral deficiency and generally results in margin calls by the lender.
- Maintaining larger balances of cash or unencumbered assets to meet margin calls.
- Proactively making margin calls on OIC credit counterparties when there is an excess of collateral pledged against OIC's borrowings by actively monitoring the asset prices and collateral levels for assets pledged against such borrowings.
- Reducing leverage.
- Redeploying capital from levered MBS portfolio investments to unlevered structured MBS portfolio investments.
- Obtaining funding arrangements whereby prepayment related margin calls are deferred or

waived in exchange for payments to the lender tied to the dollar amount of the collateral deficiency and a pre-determined interest rate.

Interest Rate Risk Management

We believe the primary risk inherent in our investment strategy is the effect of movements in interest rates. This risk arises because the effects of interest rate changes on borrowings differ from the effects of interest rate changes on the income from, or value of, investments. We therefore follow an interest rate risk management program designed to offset the potential adverse effects resulting from the rate adjustment limitations on mortgage related securities. We seek to minimize differences between interest rate indices and interest rate adjustment periods of adjustable-rate mortgage-backed securities and related borrowings by matching the terms of assets and related liabilities both as to maturity and to the underlying interest rate index used to calculate interest rate charges.

Our interest rate risk management program encompasses a number of procedures, including the following:

Monitoring and adjusting, if necessary, the interest rate sensitivity of our mortgage related securities compared with the interest rate sensitivities of borrowings.

Attempting to structure repurchase agreements that fund purchases of PT MBS to have a range of different maturities and interest rate adjustment periods.

Actively managing, on an aggregate basis, the interest rate indices and interest rate adjustment periods of mortgage related securities compared to the interest rate indices and adjustment periods of borrowings.

As a result, we expect to be able to adjust the average maturities and reset periods of borrowings on an ongoing basis by changing the mix of maturities and interest rate adjustment periods as borrowings mature or are renewed. Through the use of these procedures, we attempt to reduce the risk of differences between interest rate adjustment periods of adjustable-rate mortgage-backed securities and related borrowings.

We may from time to time use derivative financial instruments to hedge all or a portion of the interest rate risk associated with borrowings. We may enter into swap or cap agreements, option, put or call agreements, futures contracts, forward rate agreements or similar financial instruments to hedge indebtedness that we may be incurred. These contracts would be intended to more closely match the effective maturity of, and the interest received on, assets with the effective maturity of, and the interest owed on, liabilities. However, no assurances can be given that interest rate risk management strategies can successfully be implemented.

Structured MBS in a unlevered portfolio generally exhibit sensitivities to movements in interest rates that are different than the securities we typically purchase for a levered portfolio; to the extent this occurs, it may provide some protection against declines in the market value of a combined portfolio that result from adverse interest rate movements. The inability to match closely the maturities and interest rates of assets and liabilities, or the inability to protect adequately against declines in the market value of assets, could result in losses.

Fundamental Analysis - involves analyzing individual securities to assist us with our investment decisions. Since Agency MBS values are driven primarily by movements in interest rates and prepayment activity on the part of the underlying borrowers, our fundamental analysis focuses on the borrower and loan characteristics that underlie each security. The goal of our fundamental analysis is

to form an expectation of how the security will be affected by future interest rate levels. We then compare this expectation with the expectations we perceive other market participants hold to determine if the security is priced fairly. In the instance where the security is perceived by us to offer greater potential investment returns than is being reflected in the securities price we will acquire such securities. When the opposite is true, we will not purchase the security, or if we already own the security, we will sell it.

Risk: The risk of fundamental analysis is that the expectations we form may be incorrect and the analysis may not provide an accurate estimate of future returns. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that clients' goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this brochure, we primarily invest in mortgage backed securities ("MBS") including fixed-rate MBS, adjustable-rate MBS ("ARM's"), hybrid adjustable-rate MBS ("hybrid ARM's") and structured MBS.

Description of Mortgage Related Securities

Mortgage-Backed Securities

Pass-Through Certificates. We intend to invest OIC's assets in PT certificates, which are securities representing interests in pools of mortgage loans secured by residential real property in which payments of both interest and principal on the securities are generally made monthly. In effect, these securities pass-through the monthly payments made by the individual borrowers on the mortgage loans that underlie the securities, net of fees paid to the issuer or guarantor of the securities. PT certificates can be divided into various categories based on the characteristics of the underlying mortgages, such as the term or whether the interest rate is fixed or variable.

A key feature of most mortgage loans is the ability of the borrower to repay principal earlier than scheduled. This is called a prepayment. Prepayments arise primarily due to sale of the underlying property, refinancing, or foreclosure. Prepayments result in a return of principal to pass-through certificate holders. This may result in a lower or higher rate of return upon reinvestment of principal. This is generally referred to as prepayment uncertainty. If a security purchased at a premium prepays at a higher-than-expected rate, then the value of the premium would be eroded at a faster-than-expected rate. Similarly, if a discount mortgage prepays at a lower-than-expected rate, the amortization towards par would be accumulated at a slower-than-expected rate. The possibility of these undesirable effects is sometimes referred to as "prepayment risk."

In general, declining interest rates tend to increase prepayments, and rising interest rates tend to slow prepayments. Like other fixed-income securities, when interest rates rise, the value of mortgage related securities generally declines. The rate of prepayments on underlying mortgages will affect the price and volatility of mortgage related securities and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If interest rates rise, holdings of mortgage related securities may experience reduced returns if the borrowers of the underlying mortgages pay off their mortgages later than anticipated. This is generally referred to as extension risk.

The payment of principal and interest on mortgage PT securities issued by Ginnie Mae, but not the market value, is guaranteed by the full faith and credit of the federal government. Payment of principal and interest on mortgage PT certificates issued by Fannie Mae and Freddie Mac, but not the market value, is guaranteed by the respective agency issuing the security.

The mortgage loans underlying PT certificates can generally be classified in the following five categories:

Fixed-Rate Mortgages. Fixed-rate mortgages are those where the borrower pays an interest rate that is constant throughout the term of the loan. Traditionally, most fixed-rate mortgages have an original term of 30 years. However, shorter terms (also referred to as final maturity dates) have become common in recent years. Because the interest rate on the loan never changes, even when market interest rates change, over time there can be a divergence between the interest rate on the loan and current market interest rates. This in turn can make a fixed-rate mortgages price sensitive to market fluctuations in interest rates. In general, the longer the remaining term on the mortgage loan, the greater the price sensitivity.

Collateralized Mortgage Obligations. Collateralized mortgage obligations, or CMOs, are a type of MBS. Interest and principal on a CMO are paid, in most cases, on a monthly basis. CMOs may be collateralized by whole mortgage loans, but are more typically collateralized by portfolios of mortgage pass-through securities issued directly by or under the auspices of Ginnie Mae, Freddie Mac or Fannie Mae. CMOs are structured into multiple classes, with each class bearing a different stated maturity. Monthly payments of principal, including prepayments, are first returned to investors holding the shortest maturity class. Investors holding the longer maturity classes receive principal only after the first class has been retired. Generally, fixed-rate mortgages are used to collateralize CMOs. However, the CMO tranches need not all have fixed-rate coupons. Some CMO tranches have floating rate coupons that adjust based on market interest rates, subject to some limitations. Such tranches, often called "CMO floaters," can have relatively low price sensitivity to interest rates.

Adjustable-Rate Mortgages. Adjustable-rate mortgage-backed securities ("ARMs") are those for which the borrower pays an interest rate that varies over the term of the loan. The interest rate usually resets based on market interest rates, although the adjustment of such an interest rate may be subject to certain limitations. Traditionally, interest rate resets occur at regular set intervals (for example, once per year). Because the interest rates on ARMs fluctuate based on market conditions, ARMs tend to have interest rates that do not deviate from current market rates by a large amount. This in turn can mean that ARMs have less price sensitivity to interest rates.

Hybrid Adjustable-Rate Mortgages. Hybrid ARMs have a fixed-rate for the first few years of the loan, often three, five, or seven years, and thereafter reset periodically like a traditional ARM. Effectively such mortgages are hybrids, combining the features of a pure fixed-rate mortgage and a "traditional" ARM. Hybrid ARMs have price sensitivity to interest rates similar to that of a fixed-rate mortgage during the period when the interest rate is fixed and similar to that of an ARM when the interest rate is in its periodic reset stage. However, because many hybrid ARMs are structured with a relatively short initial time span during which the interest rate is fixed, even during that segment of its existence, the price sensitivity may be high.

Balloon Maturity Mortgages. Balloon maturity mortgages are a type of fixed-rate mortgage where all or most of the principal amount is due at maturity, rather than paid down, or amortized, over the life of the loan. These mortgages have a static interest rate for the life of the loan. However, the term of the loan is usually quite short, typically less than seven years. As the balloon maturity mortgage approaches its maturity date, the price sensitivity of the mortgage declines

Interest Only Securities ("IO"). IO securities represent the stream of interest payments on a pool of mortgages, either fixed-rate mortgages or hybrid ARMs; holders of IO securities have no claim to any principal payments. The value of IOs depends primarily on two factors: prepayments and interest rates. Prepayments on the underlying pool of mortgages reduce the stream of interest payments going forward, hence IOs are highly sensitive to the rate at which the mortgages in the pool are prepaid. IOs are also sensitive to changes in interest rates. An increase in interest rates reduces the present value of future interest payments on a pool of mortgages. On the other hand, an increase in interest rates has a tendency to reduce prepayments, which increases the expected absolute amount of future interest payments

Inverse Interest Only Securities ("IIO"). IIO securities represent the stream of interest payments on a pool of mortgages, either fixed-rate mortgages or hybrid adjustable-rate mortgages; holders of IIO securities have no claim to any principal payments. The value of IIOs depends primarily on three factors; prepayments, LIBOR rates and term interest rates. Prepayments on the underlying pool of mortgages reduce the stream of interest payments; hence IIOs are highly sensitive to the rate at which the mortgages in the pool are prepaid. The coupon on IIO securities is derived from both the coupon interest rate on the underlying pool of mortgages and one month LIBOR. IIO securities are typically created in conjunction with a floating rate CMO which has a principal balance and which is entitled to receive all of the principal payments on the underlying pool of mortgages. The coupon on the floating rate CMO is also based on one month LIBOR. Typically, the coupon on the floating rate CMO and the IIO, when combined, equal the coupon on the pool of underlying mortgages. The coupon on the pool of underlying mortgages typically represents a cap or ceiling on the combined coupons of the floating rate CMO and the IIO. Accordingly, when the value of one month LIBOR increases, the coupon of the floating rate CMO will increase and the coupon on the IIO will decrease. When the value of one month LIBOR falls, the opposite is true. Accordingly, the value of IIO securities are sensitive to the level of one month LIBOR and expectations by market participants of future movements in the level of one month LIBOR. IIO securities are also sensitive to changes in interest rates. An increase in interest rates reduces the present value of future interest payments on a pool of mortgages. On the other hand, an increase in interest rates has a tendency to reduce prepayments, which increases the expected absolute amount of future interest payments.

Principal Only Securities ("PO"). PO securities represent the stream of principal payments on a pool of mortgages; holders of PO securities have no claim to any interest payments, although the ultimate amount of principal to be received over time is known – it equals the principal balance of the underlying pool of mortgages. What is not known is the timing of the receipt of the principal payments. The value of POs depends primarily on two factors; prepayments and interest rates. Prepayments on the underlying pool of mortgages accelerate the stream of principal repayments; hence POs are highly sensitive to the rate at which the mortgages in the pool are prepaid. POs are also sensitive to changes in interest rates. An increase in interest rates reduces the present value of future principal payments on a pool of mortgages. Further, an increase in interest rates also has a tendency to reduce prepayments, which decelerates, or pushes further out in time, the ultimate receipt of the principal payments. The opposite is true when interest rates decline.

Item 9 Disciplinary Information

Bimini Advisors, LLC has been registered and providing investment advisory services since 2012. Neither our firm nor any of our management persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

As discussed in the advisory business section above, we serve as investment adviser to Orchid Island Capital, Inc. a specialty finance company. Mr. Robert Cauley our Chief Compliance Officer and member of our investment committee also serves as the Chief Executive Officer and Chairman of the Board of Directors of Orchid Island Capital, Inc., and serves as Chief Executive Officer and Chairman of the Board of Directors and owns shares of Bimini Capital Management, Inc. Mr. Hunter Haas, a member of our investment committee, is also the Chief Financial Officer, Chief Investment Officer, Secretary and a member of the Board of Directors of Orchid Island Capital, Inc., also serves as the President, Chief Financial Officer, Chief Investment Officer and Treasurer and owns shares of Bimini Capital Management, Inc. Bimini Capital Management, Inc. ("Bimini") is a publicly traded Real Estate Investment Trust which engages in substantially the same investment activities as Orchid Island Capital. As a result of the above referenced relationships certain conflicts of interest may arise between our firm, Mr. Cauley and/or Mr. Haas, Orchid Island Capital and/or Bimini. Such conflicts of interest are generally disclosed in the registration statement for Orchid Island Capital, Inc. and summarized as follows:

Acquisitions made for entities with similar objectives may be different from those made on by our firm for OIC. Bimini may have economic interests in or other relationships with others in whose obligations or securities we may acquire for OIC. In particular, such persons may make and/or hold an investment in securities that we acquire for OIC that may be *pari passu*, senior or junior in ranking to OIC's interest in the securities or in which partners, security holders, officers, directors, agents or employees of such persons serve on the board of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in securities laws restrictions on transactions in such securities and otherwise create conflicts of interest. In such instances, we may, in our sole discretion, make recommendations and decisions regarding such securities for other entities that may be the same as or different from those made for by us for OIC with respect to such securities and may take actions (or omit to take actions) in the context of these other economic interests or relationships that may have consequences adverse to OIC's interests.

Our firm, may obtain confidential information about the companies or securities in which OIC has invested or may invest. If we possess confidential information about such companies or securities, there may be restrictions on our ability to dispose of, increase the amount of, or otherwise take action with respect to the securities of such companies for the benefit of OIC. As a result, the limitations imposed by access to confidential information may affect our ability to make potentially profitable investments for OIC, which could have an adverse effect on OIC's operations.

Additionally, Bimini currently receives management fees from OIC and, as the indirect stockholder of our firm, will indirectly receive the management fees earned by our firm through reimbursement payments under an overhead sharing agreement and our payment of dividends to Bimini. Our firm makes available to OIC, opportunities to acquire assets that it determines, in its reasonable and good faith judgment, are appropriate for OIC in accordance with written investment allocation procedures and policies, subject to the exception that OIC might not be offered each such opportunity, but will on an overall basis equitably participate with Bimini in all such opportunities when considered together. Because many of OIC's targeted assets are typically available only in specified quantities and because many of OIC's targeted assets are also targeted assets for Bimini and may be targeted assets for other accounts we may manage in the future, we may not be able to buy as much of any given asset as required to satisfy the needs of OIC. In these cases, investment allocation procedures and policies will typically allocate such assets to multiple accounts in proportion to their needs and available capital. See Item 12 block trades below.

Mr. Cauley and Mr. Haas devote as much time to our firm as we deem appropriate. However, these individual's may have conflicts in allocating their time and services among OIC, Bimini and our firm. During turbulent conditions in the mortgage industry, distress in the credit markets or other times when OIC needs focused support and assistance from our firm will likewise require greater focus and attention, placing our firm and Bimini's resources in high demand. In such situations, our firm may not be able to devote necessary support and assistance required by OIC.

Orchid Island Capital has provided for the nomination of independent directors which may address any unresolved conflicts of interest, to the extent necessary.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect client interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about clients or client account holdings by persons associated with our firm.

Participation or Interest in Client Transactions

Cross Transactions

We may cause OIC to enter into a cross transaction if (i) such cross transaction is in the best interests of, and is consistent with the investment objectives and policies of, OIC and (ii) the cross transaction is otherwise approved by the Board of Directors of OIC, and is effected at the then-current market price for the assets subject to such cross transaction.

Principal Transactions

We may cause OIC to enter into a principal transaction if such principal transaction has been previously approved by a majority of the independent (as defined in OIC's Corporate Governance Guidelines) members of OIC's Board (the "Independent Members"). Such approval shall include the approval of the pricing methodology (for assets with no readily observable market price) to be used in the principal transaction and shall be evidenced by a signed written consent of a majority of the Independent Members.

Item 12 Brokerage Practices

We may utilize the services of several different broker-dealers to execute transaction for OIC. We believe the the broker-dealers we utilize provide quality execution services at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, clients may pay higher commissions and/or trading costs than those that may be available elsewhere.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

We combine multiple orders for shares of the same securities purchased for OIC with those managed by affiliated entities (Bimini Capital Management, Inc.) (this practice is commonly referred to as "block trading"). We will distribute a portion of the shares to participating accounts based on the following factors:

- i. the primary investment strategy of the accounts;
- ii. the effect of the securities on the diversification of each account by coupon, purchase price, size, payment characteristics and leverage;
- iii. the cash requirements of each account;
- iv. the anticipated cash flow of each account; and
- v. the amount of funds available to each account and the length of time such funds have been available for investment.

Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs.

Item 13 Review of Accounts

Robert Cauley and Hunter Haas, members of our investment committee, will monitor OIC's portfolio on an ongoing basis and will conduct portfolio reviews on at least a monthly basis to ensure the advisory services provided are consistent with OIC's investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- market moving events,
- security specific events, and/or,
- changes in risk/return objectives.

We will provide OIC's board of directors with a monthly report detailing the performance of OIC's portfolio.

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice nor do we compensate any individual or firm for client referrals.

Item 15 Custody

We will have access to Orchid Island Capital, Inc.'s funds and securities, and therefore have custody over such assets. Investors in OIC are provided with audited annual financial statements within 120 days of fiscal year end.

Item 16 Investment Discretion

Pursuant to a written management agreement, OIC has granted our firm discretion over the selection and amount of securities to be purchased or sold, the broker-dealer to be used and the commission rates to be paid for OIC transactions without obtaining OIC's approval prior to each transaction.

OIC may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for the management of its portfolio. For example, OIC may specify that certain investments should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific demographic. Such objectives, guidelines, conditions and/or parameters must be stated in writing.

Item 17 Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of OIC as the investments held by OIC are not subject to proxy voting issues.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to clients.

Item 19 Requirements for State-Registered Advisers

This Item does not apply to our firm as we are a federally registered investment adviser.

Item 20 Additional Information

Your Privacy

We view protecting clients' private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep non-public personal information private and secure.

We do not disclose any nonpublic personal information about clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing client accounts, we may share some information with service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about clients to employees, who need that information in order to provide products or services to clients. We maintain physical and procedural safeguards that comply with regulatory standards to guard nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about clients or client accounts to anyone. We do not share client information unless it is required to process a transaction, at a clients' request, or required by law.

Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.