

Disclosure Brochure

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Thorofare, LLC
100 North Pacific Coast Highway
Suite 2050
El Segundo, CA 90245
213.873.4018
CRD#171293

This brochure provides information about the qualifications and business practices of Thorofare, LLC. If you have any questions about the contents of this brochure, please contact us at (213) 873-4018. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Thorofare is available on the SEC's website at www.adviserinfo.sec.gov.

Thorofare is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

Since its last amendment on July 1, 2022, Thorofare has updated this brochure to (1) make updates to Item 8; (2) reflect additional industry affiliations (Item 10); and (3) reflect Thorofare's use of compensated third-parties for investor referrals (Item 14).

We routinely make updates throughout the brochure to improve and clarify the description of our business practices, and compliance policies and procedures, as well as to respond to evolving industry best practices. Although these changes may not be material, please review this brochure carefully and in its entirety.

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Item 4. Advisory Business

Thorofare, LLC (“Thorofare”) currently acts as discretionary investment adviser to real estate limited partnerships; Thorofare Asset Based Lending Fund IV L.P. (“Fund IV”) and Thorofare Asset Based Lending Fund V L.P. (“Fund V”) (collectively the “Fund(s)” or “Thorofare Funds”). The Thorofare Funds are the only clients of the firm. The general partners of the Thorofare Funds are Thorofare Lending Fund IV Management, LLC and Thorofare Lending Fund V Management, LLC (“General Partner(s)” respectively), each a Delaware limited liability company. Thorofare solely owns the General Partners. Thorofare and each of the General Partners collectively file a single Form ADV. Thorofare was formed in June 2010. In December 2021, Callodine Thorofare, LLC (“Thorofare Parent”) acquired a majority interest in Thorofare. Thorofare Parent is controlled by Callodine Group, LLC, which is majority owned by James Morrow. The other principal owners of Thorofare Parent are Kevin Miller, Brendan Miller, and affiliated family entities.

Thorofare Asset Based Lending Fund IV L.P. and Thorofare Asset Based Lending Fund V L.P. make substantially all their investments through affiliated private REITs; namely Thorofare Asset Based Lending REIT Fund IV, LLC, and Thorofare Asset Based Lending REIT Fund V, LLC. Thorofare does this to maximize tax efficiency for their tax-deferred limited partners for whom Unrelated Business Taxable Income (“UBTI”) and Effectively Connected Income (“ECI”) are a concern. The REIT entities are managed by their respective Boards of Directors who are elected pursuant to their operating agreement, which may be amended from time to time. Thorofare, its affiliated general partners and REIT entities (collectively “Thorofare”) hold RIA registration in accordance with SEC guidance under the Investment Advisers Act of 1940 (the “Advisers Act”) as all such entities are under common control and operate as a single advisory business.

Thorofare specializes in managing portfolios of real estate loans and the Thorofare Funds are designed and formed to provide investors with a real estate lending investment vehicle. Thorofare’s investment advice is limited to discretionary investment advisory services with respect to such types of investments. Thorofare seeks to identify real estate transactions that cannot be completed by traditional financing sources for a myriad of reasons. Loan-to-Value (LTV) is a primary consideration for qualifying loans. In addition, Thorofare targets transactions with inherently strong borrower equity positions. Thorofare’s goal is to create a portfolio of loans at attractive LTVs with borrowers who, based on their need for private financing, are willing to pay above market interest rates for such financing. Specific property locations will be targeted on a micro market level with particular focus on assessing market depth, lease rates, vacancy, absorption, new construction, and job growth.

Thorofare’s investment advice is tailored to the investment objectives, investment strategy and restrictions (if any) set forth in each respective Fund’s limited partnership agreement (“LPA”) and private placement memorandum (“Offering Documents”). For example, the Thorofare Funds set forth the investment criteria in its LPA, which describes the types of qualified loans in which the Fund may invest,

loan-to-value restrictions, investment restrictions, allocation of investment opportunities, and investments through its affiliated REIT.

As of December 31, 2022, Thorofare advises \$1,412,607,371 in discretionary regulatory assets under management across its two Thorofare Funds.

Item 5. Fees and Compensation

Management Fees and Administrative Interests:

The General Partners of the Thorofare Funds are entitled to management fees and administrative interest as set forth in the respective Offering Documents (“Management Fees or Administrative Interest”). The Management Fees or Administrative Interest are paid to Thorofare pursuant to an investment advisory agreement executed between Thorofare and the General Partners of the Funds.

Thorofare Funds invest through an affiliated private REIT and charge a REIT Management Fee typically of 1.25% of aggregate capital contributions from the Partnership to such REIT subsidiary, or other subsidiary per annum, payable quarterly in advance. In addition, the Thorofare Funds will also charge an Administrative Interest typically of 0.75% per annum on the aggregate Unreturned Capital of all subject limited partners, calculated as set forth in the respective Offering Documents. Such Management Fees or Administrative Interest are set forth specifically in each of the Thorofare Fund Offering Documents. Investors are encouraged to review these carefully.

The General Partner of each respective Thorofare Fund, without the approval of any limited partner, enters into a side letters or similar agreements to or with one or more limited partner(s) and/or third-party investment advisers (a “Side Letter”), which has the effect of establishing rights under, or altering or supplementing the terms hereof or any subscription agreement with respect to such limited partner, including without limitation, a waiver or reduction of Management Fees, REIT Management Fees, Management or Administrative Interest or Carried Interest (defined below) (collectively “GP Fees”). More specifically, the management fees, administrative interest, and carried interest are generally subject to waiver or reduction by the General Partner with respect to Thorofare employees’ limited partner interests and other limited partners in the General Partner’s sole discretion.

Additional Compensation:

An affiliate of Thorofare is engaged by the Thorofare Funds in connection with the Funds’ loan origination and underwriting processes and, as compensation, are entitled to receive a certain percentage of origination fees and expenses. For example, for Fund V, an affiliate retains one hundred percent (100%) of Deferred Origination Charges, Loan Modification Charges and Origination Charges. And the General Partner receives Fifty percent (50%) of (i) Deferred Origination Fees, (ii) Loan Modification Fees and (iii) Origination Fees (collectively “Affiliate Fees”). The exact percentages on investment cash flow retained by

an affiliate or paid to the Thorofare Fund are set forth in each respective Fund's Offering Documents. The remaining fifty percent (50%) are retained by the Fund.

If the General Partner or any of its affiliates provide real estate brokerage services in connection with the sale of any real property that serves as Primary Collateral or Additional Collateral, the General Partner or such affiliate may receive a disposition commission (a "Disposition Commission"), from the proceeds of such sale, typically 6% of the sale price of such real property net of any other real estate brokerage commission payable in connection with such sale from the proceeds of such sale. If the General Partner or any of its affiliates provide property management services with respect to any real property that serves as Primary Collateral or Additional Collateral of which the Fund takes possession, the General Partner or such affiliate may receive normal and customary property management fees ("Property Management Fees"). If the General Partner or any of its affiliates provide mortgage brokerage services in connection with the making of a Qualified Loan, the General Partner or any such affiliate may receive a customary mortgage commission (a "Mortgage Commission") from the proceeds of such loan. In addition, to the extent that the General Partner (or an affiliate thereof) provides the Fund with any services (including, without limitation, loan servicing) for which the Fund would otherwise engage a third party ("Fund Services"), then the General Partner (or such affiliate) shall be entitled to provide such Fund Services and be compensated therefor, without the consent of any other limited partner, so long as: (a) the compensation charged is reasonable and customary for the services provided, and (b) the terms and conditions relating to such Fund Services are no less favorable to the Fund than would generally be available from third parties under similar circumstances.

The General Partner and its affiliates, including Thorofare, will be entitled to *receive and keep* all Borrower Fees, Borrower Reimbursements, Disposition Commissions, Property Management Fees, Mortgage Commissions and fees for Fund Services (this includes any "fee spread" between loan servicing fees received from borrower and loan servicing fees paid to a third-party loan servicer); provided that, for the avoidance of doubt, any cost or expense reimbursed to the General Partner or any of its affiliates as a Borrower Reimbursement may not be charged to the Fund as a Fund Expense.

Thorofare Lending Fund V Management, LLC and Thorofare Asset Based Lending Fund V, L.P. have entered into a side letter agreement with a third-party registered investment adviser. Pursuant to the agreement and as set forth in the Fund subscription agreements provided to the third-party registered investment adviser's advisory clients, the advisory clients pay an additional incremental fee of 0.25% per annum ("Advisory Program Fee") which is calculated on the same basis as Thorofare's Management Fees. For avoidance of doubt, Thorofare will collect the Advisory Program Fee from the third-party registered investment adviser's clients and remit the Advisory Program Fee to the third-party registered investment adviser. Thorofare does not retain any portion of the Advisory Program Fee. As a result of the Advisory Program Fee, the third-party registered investment adviser's advisory clients' net Fund returns will be lower than other investors who do not incur an additional Advisory Program Fee.

Affiliates of Thorofare are engaged by non-advisory client third party firms to provide loan origination and servicing and retain all related income.

Fund Expenses:

As set forth in the respective Thorofare Fund's Offering Documents, each of the Funds must reimburse the General Partner organizational expenses and partnership expenses. Organization expense reimbursement is generally capped as set forth in the Offering Documents. In addition to organizational expenses, GP Fees, partnership expenses may include, without limitation: the cost and expenses of sourcing (including, subscriptions to industry publications, business development, travel, conference attendance, and reasonable gifts/entertainment expenses relating to research and sourcing investment opportunities), evaluating, originating, negotiating, consummating, servicing, managing and disposing of investments; the organization and ongoing expenses related to any investment structuring vehicles (e.g. special purpose vehicles such as REITs); legal, accounting and other service provider fees (including, without limitation, legal fees payable to the General Counsel of Thorofare or any Affiliate for services that would otherwise be performed by outside counsel to the Fund); interest on indebtedness; insurance premiums (including E&O and or D&O for Thorofare, the General Partner including the members, officers and employees of such and LP Advisory Board and third party insurance services); foreclosure, litigation and indemnification expenses; out-of-pocket expenses of the LP Advisory Board (including travel to meetings); taxes and governmental fees and the costs of reporting to the limited partners. To the extent such fees are incurred jointly by the Funds, such may be allocated in a manner to each respective Fund in good faith by the General Partner. Organizational and Fund Expenses may, but do not currently, include placement fees. The General Partners have discretion to allocate all or a portion of such placement fees to the respective Thorofare Fund in its sole discretion.

In addition to the Carried Interest, the Affiliate Fees, the GP Fees and the returns on its investment in the Fund, the General Partner of the respective Thorofare Fund and its affiliates: (i) may charge the borrowers under Qualified Loans held by the Fund and other third parties normal and customary fees for services rendered by the General Partner and affiliates in connection with such Qualified Loans (collectively, "Borrower Fees") and (ii) may require such borrowers and third parties to reimburse the General Partner and its affiliates for costs and expenses incurred by the General Partner and its affiliates in connection with the provision of services (collectively, "Borrower Reimbursements"), including:

- (i) loan processing and documentation fees; and
- (ii) escrow fees, trustee fees, appraisal fees, late fees, and site inspection fees (including employee travel),

provided that Borrower Fees will not include Origination Fees.

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

In addition to the management fee and administrative interest, the General Partners of the Thorofare Funds are entitled to receive a carried interest of twenty percent (20%) on Distributions of Available Assets (“Carried Interest”), after return of investor capital and the preferred return, as defined in the respective Thorofare Fund Offering Documents. Carried Interest is a performance-based fee. Thorofare currently does not advise on any parallel or side-by-side funds. The General Partners may, in its discretion, agree to special terms regarding carried interest with respect to certain Partners, including, without limitation, Thorofare employees, Thorofare affiliates and certain limited partners with significant capital commitments to the Funds.

As such, Thorofare does not have any incentives to favor Funds with higher potential for carried interest distributions over Funds with lower or no potential for carried interest. However, as discussed more fully in Item 10 below, Thorofare’s affiliates also originate loans for non-advisory clients. This presents a potential conflict of interest that may result in favoring a non-advisory client over a Fund client. However, this risk is mitigated due to the different investment criteria, risk tolerance, and overall loan specifications between funds and non-advisory client loans. Nonetheless, Thorofare has adopted allocation and investment approval policies and procedures designed to treat all Funds fairly and equitably in accordance with the applicable Governing Documents.

Item 7. Types of Clients

Thorofare provides discretionary investment advisory services to each Thorofare Fund which are operating as limited partnerships exempt from registration as an investment company pursuant to Section 3(c)(5) of the Investment Company Act. Thorofare Fund investors are accredited investors, qualified clients, and/or qualified purchasers. Thorofare Fund investors may also be knowledgeable employees of Thorofare.

As previously stated, affiliates of Thorofare also provide loan origination and servicing services to non-advisory clients. The non-advisory clients currently include unaffiliated investment advisers and institutional or otherwise strategic investors.

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

Methods of Analysis and Strategy:

Thorofare’s strategy is to identify real estate transactions that cannot be completed by institutional lenders for myriad reasons, including bureaucratic reasons. LTV is the primary consideration for qualifying loans (as defined in the respective Fund’s Offering Documents) and Thorofare generally targets transactions with inherently strong borrower equity positions. Thorofare’s goal for each Fund is to create a portfolio of loans at attractive LTVs with borrowers who, based on their need for private financing, are willing to pay above market interest rates for such financing, and that generates a competitive preferred return to investors.

Specific property locations are targeted on a micro-market level with particular focus on assessing market depth, lease rates, vacancy, absorption, new construction, and job growth. In addition, Thorofare seeks to obtain extended title coverage through American Land Title Association lender's policies to ensure that each qualified loan has a senior secured position on all properties funded.

Thorofare's strategy is to generally fund only those real estate transactions that can achieve a large spread between debt and equity positions. The target for the Thorofare Funds is to achieve a fully funded portfolio of qualified loans with an average LTV on its primary collateral in the mid-fifties, and primary collateral of each qualified loan to be at or below a 68% LTV, with many qualified loans further backed by additional collateral or personal guarantees of the borrowers or others. Qualified loans held by the Fund will primarily be loans made by the Fund as a direct lender to the borrower. However, for Fund V, they have the ability to allocate a small percentage of the Fund's loan portfolio to higher risk-reward loans provided that, at the time of the initial investment in any such loan, no more than 5% of the assets of the Fund (by gross value, including any indebtedness of the Fund and any unfunded portions of total loan commitments of the Fund) are invested in loans for which the LTV of the Primary Collateral is greater than 68%. In addition, the Fund may, at the General Partner's sole discretion, acquire qualified loans on the secondary market.

Thorofare considers investments nation-wide. Regardless of the market of each potential investment, Thorofare and/or their affiliates complete an initial due diligence investigation of each property prior to a Fund's funding of a potential loan. During the underwriting process, Thorofare's analysts typically conduct a site inspection and investigate market conditions, title, environmental concerns, zoning, borrower credit, and most importantly, property value. They utilize a variety of economic models to analyze the safety and quality of a Fund's portfolio.

Risk of Loss:

An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. There are no guarantees that the Funds' investment program will be successful or that any past success of any Thorofare Fund will result in positive investment returns in the future. Thorofare will be investing substantially all of the Funds' assets in instruments which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which the Funds expect to invest have recently experienced and continue to experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

Private investment partnerships have their own set of risks, including, but not limited to lack of liquidity and diversification, strategy risk and conflicts of interest related to affiliated party transactions as set forth below. Moreover, no investor may sell, transfer, assign, convey, pledge, mortgage, encumber, hypothecate, or otherwise dispose of all or any part of its partnership interest ("Interest") without the General Partner's consent. There is no public market for Interests in the Thorofare Funds.

A more complete discussion of the risk associated with an investment in a Thorofare Fund is set forth in the respective Fund's private placement memorandum ("PPM"), and investors are encouraged to carefully review the PPM prior to making an investment decision.

Borrower Risk, General Market & Real Property Risk and Competition:

Investments related to real property carry specific risks, including but not limited to: foreclosure risk and local rules and regulations affecting the ability to foreclose on properties; vacancy rates and general financial condition of buyers and sellers; condemnation, environmental contamination and eminent domain; state and local regulations and/or ordinances affecting the purchase, sale or management of properties; litigation and insurance risk; geographic market concentrations, general credit risk, and other risks.

Thorofare Funds' investments are speculative, and profitability depends on the ability of their borrowers to repay their loans. The ability of a borrower to repay may be affected by local, regional, and national real estate market and economic conditions beyond the control of the Fund. Delinquencies and defaults are sensitive to local and national business and economic conditions. Favorable real estate and economic conditions may not necessarily enhance a borrower's ability to repay due to circumstances specific to a borrower and are beyond the Fund's control.

Each type of property on which Thorofare, or their affiliates, underwrite loans has their own specific set of risks, including general economic conditions, business conditions, local market competition and conditions. Competition amongst loan originators can vary from market to market, and the Fund's returns can be affected by heavy competition in the loan origination space.

The Funds may also rely on representations of borrowers and counterparties as to the accuracy and completeness of such information and, with respect to financial statements, on reports of independent auditors. While the Fund intends to conduct due diligence regarding the value of properties and the information provided by borrowers and counterparties, it may rely on, or be unable to identify, inaccurate or fraudulent information. Of paramount concern in originating loans is the possibility of fraudulent and negligent acts or a material misrepresentation or omission on the part of a third-party including borrowers, brokers, sellers, vendors, tenants, co-lenders, loan participants, servicers and the boards and management teams of operating companies. Such act, omission, inaccuracy, or incompleteness may adversely affect the valuation of the collateral underlying the transactions or may adversely affect the ability of the Fund to perfect or effectuate a lien on the collateral securing the transaction. The Fund will rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable but cannot guarantee such accuracy or completeness.

Rising or falling interest rates may increase risk associated with Thorofare's investment strategy, including but not limited to increased competition, Thorofare's ability to close loans at targeted interest rates; a borrower's ability to refinance an existing loan, lower investment returns due to the inability to close loans at higher interest rates.

Some countries, including the United States, are currently and may in the future experience substantial rates of inflation, which may have negative effects on the economies and securities markets of their economies. Governmental efforts to curb inflation (such as price controls) may involve drastic economic measures affecting the level of economic activities. There can be no assurance that the relevant governments will be able to exercise effective control over inflation rates or that a high rate of inflation will not have a materially adverse effect on the Fund or its investments.

The Funds invest in loans secured by properties undergoing repositioning novation and significant construction (including ground up or new construction), whereby the LTV is based off an “as stabilized” valuation methodology. New construction or “ground up” development opportunities include, but are not limited to, risks related to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks such as weather, labor conditions, or material shortages), and changes in supply and demand. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the completion of development activities once undertaken. Accordingly, if the borrower fails to complete the construction of a project, there could be adverse consequences associated with the loan, including but not limited to: a loss of the value of the property securing the loan; a borrower claim against the Funds for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. As described above, the process of foreclosing on a property is time-consuming and may incur significant expense if Thorofare must foreclose on a property securing a loan when construction is not complete. Under these circumstances, the Funds may incur redevelopment costs.

Lack of Diversification and Investment Concentration:

It would not be appropriate for an investor to invest a substantial portion of its wealth in any single investment or fund. An investment in a Thorofare Fund should be part of a comprehensive investment portfolio strategy, which includes a broad diversification of investments. Thorofare’s Funds lack broad diversification since they invest in a specific type of security - real estate asset backed loans. Moreover, our Funds may have a relatively high degree of concentration in the Fund’s loan portfolio at any given time.

Leverage:

The Funds will seek to enhance returns on its investments through the use of leverage, typically with a maximum of 1:3 leverage (33.33%) calculated against total loan commitments over the life of the Fund and may obtain multiple financing sources to be secured by the Fund’s assets, which may include capital commitments.

The use of significant leverage by the Funds will increase the exposure of real estate investments to adverse economic factors, such as rising interest rates, severe economic downturns, or deteriorations in the condition of a real estate investment or its market. While the use of leverage may enhance returns to the Funds and increase the number of investments the Funds can make, it will diminish returns (or increase

losses on capital) to the extent overall returns are less than the costs of funds. To the extent financing is not available on terms considered favorable by the Fund, or ceases to be available, the number and size of investments that the Funds will be able to make will be limited, which could have a detrimental impact to Fund performance. In addition, even if the Funds are able to arrange for leverage, there can be no assurance that longer-term financing will be available with respect to any particular investment. Any inability of the Funds to repay such borrowings could enable a lender to seek payment from the investors to the extent of the then remaining capital commitments.

Thorofare also uses a subscription line of credit, which is not used for leverage purposes. A subscription line of credit allows Thorofare to deploy capital to fund investments while processing capital commitment calls from limited partners.

Banking Counterparty Risk:

Thorofare relies upon third-party banks or other custodians to hold and safeguard client assets and provide credit facilities that may be used to pay fund expenses, purchase new investments, or for leverage. While Thorofare carefully selects and monitors its counterparties, there is no guarantee that such counterparties will not experience financial difficulties or otherwise fail, which could prevent Thorofare from accessing client funds, securities, or credit facilities. Thorofare could be required to call investor capital to pay expenses or purchase investments that otherwise would have been financed through a credit facility, or Thorofare could be prevented from making timely distributions of investor capital in the event a banking counterparty is shut down by regulators. In addition, Thorofare may not be able to secure similar credit facilities in the future. These events could negatively impact fund performance or result in substantial delays in the return of capital to investors.

Co-Investor Risk:

The Fund may co-invest in one or more loans with certain limited partners, strategic investors, lenders (or affiliates thereof), and/or other third parties through joint ventures or other entities, which parties in certain cases may have different interests or superior rights to those of the Fund. Although it is the General Partner's intent for the Fund to retain control rights over the Fund's investments, under certain circumstances it may be possible for the Fund to relinquish control rights over certain of its investments and, therefore, may have a limited ability to protect its position therein. In addition, the Fund's co-investment may subject the Fund to typical risks associated with third-party involvement and differing interest between limited partners, including the possibility that a third-party or limited partner may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Fund or certain limited partners, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives.

Public Health Risk:

Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, COVID-19. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the locations in which the Fund may invest and thereby adversely affect the performance of the Funds' investments.

For a more detailed discussion on each of our Fund's respective investment strategy and risk, investors are strongly encouraged to review the Funds' Private Placement Memorandum.

Conflicts of Interest:

Certain conflicts of interest exist between and amongst Thorofare, its affiliates and other third parties. Conflicts of interest can cause Thorofare to engage in riskier investments; act in Thorofare's, its affiliates' or third parties' own best interest; or increase the costs associated with an investor's investment in one of the Thorofare Funds. Such conflicts of interest include: engaging in affiliated party transactions such as the sharing of origination fees with an affiliate loan underwriter; co-investment by a limited partner or affiliate of Thorofare, or a third party sponsor in Fund loans--what is commonly called a B-Note investment (a higher risk participation interest in the loan); the generation of fees and reimbursement of expenses by Thorofare or its affiliates that are not deemed investment income by the Thorofare Funds or reimbursable to the Thorofare Funds; indemnification of the General Partner, Thorofare or its affiliates; activities of principals of Thorofare that may overlap with the business of Thorofare and its Funds; the offering of side letters to one or more limited partners causing such limited partners to pay lower fees; and the Thorofare Funds' preferred return or carried interest provisions may impact investment decisions of Thorofare. In order to mitigate the conflict of interest associated with related-party investments in co-investments or B-Notes alongside Fund investments Thorofare has implemented co-investment policies and procedures that address the allocation, preferential terms, and disclosure of such transactions. In addition, all such related party transactions, while infrequent, will be reported to LP Advisory Board for input and majority approval. The disclosure will include material terms, such as, the note rate of returns, purpose of the syndication, description of any related parties participating, and rights of the B-Note holders (if in a potential conflict with A-Note holders). If approved by the LP Advisory Board, the same disclosure and consents will be made available to all investors.

In addition, Thorofare has discretion and authority to classify certain fees and expenses owed by borrowers of loans in which the Thorofare Funds invest. For example, if Thorofare were to negotiate with a borrower to pay higher or lower origination or exit fees, default and/or back interest or late fees, this may have a direct impact on revenue allocated to the Thorofare Funds, since such Thorofare Funds participate in some revenue streams and not others. To address this conflict, Thorofare policies and procedures require that investment decisions be made in the best interests of our Clients, without consideration of pecuniary interests of Thorofare or its employees, including precluding the employee who originated the loan from voting at the Investment Committee.

The General Partner of a Thorofare Fund may, in its sole discretion, cause Capital Commitments to be drawn by a Fund in any order not prohibited by applicable law; provided that at least 50% of the contributed capital applied to fund new investments shall consist of Rollover Amounts, to the extent available; provided further that notwithstanding the foregoing, in the event there are Principal Repayments retained by the Fund that are otherwise distributable to the limited partners, the General Partner shall have the right, but not the obligation, to fund all or any portion of new investments with such retained Principal Repayments, to the extent available.

In the event the General Partner determines that a loan held in the Fund is impaired, non-performing or that it would otherwise be equitable to exclude one or more such investments from the Fund in which new investors would participate, the General Partners may designate the loan as a Side Pocket Investment. Once a loan becomes a side pocket investment, it generally is not removed from the side pocket. Investors who are invested in Fund V at the time an investment is side pocketed will be exposed to the side pocketed investment. For Fund V Investors who acquire interests in the Fund at subsequent closings will not participate in any investments that have been deemed to be a side pocket investment prior to such closing. Investor performance returns will vary (both positively and negatively) depending on each investor's side pocket participation. In addition, investors whose interests are in Run-Off Accounts will not participate in new investments. Therefore, the returns of these investors will differ from the returns of other investors in the Fund. As part of its review of each Fund, Thorofare monitors all investments for side pocket treatment in accordance with its Side Pocket Arrangements policy. For Fund V, investments will be presented at a fair market value on a quarterly basis.

Thorofare has adopted a Code of Ethics (described in Item 11 below) and other policies and procedures to address potential conflicts (collectively, the "Conflicts Procedures"). These Conflicts Procedures, which may be modified from time to time at Thorofare's sole discretion, may require prior review or approval of certain transactions by the Chief Compliance Officer and/or General Counsel. Additional procedures for addressing conflicts may be contained in Offering Documents. With respect to certain conflicts of interest, including affiliate transactions, the Offering Documents may provide for consultation regarding or approval of such transactions by investors or an LP Advisory Board comprised of representatives of certain of the underlying investors in a Fund.

Other conflicts of interest may exist. Please review the conflicts of interest section of the respective Thorofare Fund's Offering Documents for more information and discussion regarding how Thorofare mitigates such risks.

Item 9. Disciplinary Information

Thorofare is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Thorofare does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

As previously discussed, Thorofare has affiliated mortgage lending and servicing companies, who underwrite the loans to Thorofare Funds, non-advisory clients, and other non-advisory strategic investors. As previously stated, Thorofare affiliates provide loan origination services, asset management, and servicing services, including to non-advisory client strategic investors. As previously disclosed in Item 5, such Thorofare affiliates receive Affiliate Fees for its loan originations and servicing.

Thorofare has related persons who are real estate agents, salespersons or brokers or act as real estate agents, salespersons, or brokers. An affiliate also provides non-advisory services, such as loan servicing to third parties for a fee. As disclosed previously in Item 5, legal fees payable to the Thorofare's General Counsel or any Affiliate for services that would otherwise be performed by outside counsel are eligible to be expensed to the Funds. Legal services include, but are not limited to, preparing loan documents and other documents necessary to close loan transactions which will comprise the Thorofare Fund investments. Thorofare's General Counsel also provides similar support services for loan documents for the non-advisory client investors. Borrowers are charged a legal fee for preparing such documents, and the General Counsel's fees are offset against his salary.

As set forth above, Thorofare has an affiliated general partner and REIT affiliate entities which operate as the General Partner or REIT investment vehicles of its Thorofare Funds. Thorofare is the sole owner of the general partners of the Thorofare Funds. Thorofare also enters into strategic partner relationships with other non-advisory client real estate investment firms to originate and service commercial real estate loans.

Affiliate Advisers

Thorofare is controlled by the Callodine Group, which has a majority interest in other financial services companies ("Affiliate Entities"). Currently, the Affiliate Advisers focus primarily on different investment strategies and are generally operationally independent from Thorofare. The current Affiliate Entities include:

- Callodine Capital Management, LP ("CCM"), an SEC registered investment adviser which focuses on investments on mid- to large cap dividend paying publicly traded equity securities across a variety of sectors.
- Callodine Credit Management, LLC ("CCF"), an exempt reporting adviser to private funds that make asset-based loans to middle market companies in the U.S. and Western Europe.
- Rand Capital Management, LLC, an SEC registered investment adviser to Rand Capital Corporation (NASDAQ: RAND), a business development company that focuses on making loans to, or equity investments in, private companies.
- Callodine Strategic Credit, LLC ("CSC"), an exempt-reporting investment adviser to private funds focused on making mezzanine loans to lower middle market companies.

- Manning & Napier Advisers, LLC (“MNA”), a SEC registered investment adviser which offer wealth management services to its clients.
- Manning & Napier Investor Services, Inc. (“MNIS”), a limited purpose broker-dealer who acts as the distributor for the Manning & Napier Fund, Inc., an investment company managed by MNA.
- Rainier Investment Management, LLC (“Rainier”), an SEC registered investment adviser which provides investment advisory and sub-advisory services to institutional separate account clients, registered, pooled investment vehicles and collective investment trust funds.

Thorofare recognizes that these affiliations may create certain conflicts of interest. Such conflicts from time to time include, but are not limited to, conflicts related to access to co-investments, and ownership of investments at different levels of the capital structure. It is also anticipated that Thorofare may conduct certain shared operations with Affiliate Entities (namely, CCM persons), in connection with the Callodine Group. Thorofare and Affiliate Entities will deal with all conflicts of interest using their best judgment, but in their sole discretion. Thorofare has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest. While Thorofare endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

Item 11. Code of Ethics

Thorofare and persons associated with Thorofare (“Associated Persons”) are permitted to buy limited partnership interests of which Thorofare is the advisor. Thorofare has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Thorofare or any of its supervised persons. The Code of Ethics also requires that certain of Thorofare’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

The General Partner of each respective Thorofare Fund, in its sole discretion, may provide one or more persons (including Access Persons), with the opportunity to co-invest with the Thorofare Fund in any one or more lending or other investment opportunities offered to the Thorofare Fund and establish, maintain and manage separate co-investment vehicles and/or accounts in connection therewith, with the allocation of such opportunities between the Thorofare Fund and such co-investor (and/or co-investment vehicles and accounts) to be determined by the investment committee in good faith and in accordance with Thorofare co-investment policies and procedures. For example, Thorofare might believe that a Fund making the full investment would unreasonably limit the diversification of the applicable Fund, would exceed the loan criteria set forth within the governing documents, or that a particular co-investor would add value to the

Fund or the investment. Any such co-investment by a limited partner or any affiliate of a limited partner in any such opportunity will be upon terms and conditions no more favorable to such limited partner or affiliate in any material economic respect than the terms and conditions upon which the Fund is investing in such opportunity. Any such co-investors may pay Affiliate Fees to service the co-invested loan investments, which are not shared with the Thorofare Funds. These fees include origination fees, asset management, modification fees for the origination, administration, and servicing of the participation interests of the co-invest lender. The payment of other fee income for co-investment participation interests creates a conflict of interest between the General Partner and its affiliates because the amounts of these other fees are often substantial, and the Fund (and its investors) generally do not have direct interest in these fees. The General Partner or its affiliates determines the amount of these fees for the services provided in its own discretion, subject to negotiated agreements with the co-invest lender. To mitigate this conflict of interest, such fee rates are typically allocated on a *pro rata* and *pari passu* basis in accordance with the respective participation interests of the Fund and participating co-invest lender. The General Partner may at its discretion allocate a portion of such fees to the Fund. All such fee arrangements are memorialized and reviewed in the Credit Committee in accordance with Thorofare's Investment Decisions policies and procedures.

In the future, Thorofare may serve as investment manager to certain Co-Invest Funds that invest alongside the Funds. Certain affiliates and personnel of Thorofare, third party investors and other persons may be permitted to participate in the Co-Invest Funds or in some cases co-invest directly in a particular real estate-related asset. Generally, Thorofare will select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis, the investor's expression of interest or right to co-invest granted by such investor's limited partnership agreement or side letter arrangement, and any other reason for including such investor or person. In circumstances where an entire investment could be made by a Fund, Thorofare may still allocate a portion of such investment to one or more Co-Invest Funds or co-investors, in accordance with the applicable Fund's Governing Documents and our allocation policy, if Thorofare believes, in its good faith judgment, that such allocation is in the best interests of the clients. For example, Thorofare might reasonably believe that a Fund making the full investment would unreasonably limit the diversification of the applicable Fund, exceed the loan criteria set forth within the governing documents, or that a particular co-investor would add value to the Fund or the investment. Investors that participate in co-investments may be in a position to obtain additional information regarding the applicable investment that may not generally be available to investors in the Fund.

The existence of the right of a General Partner to receive carried interest in respect of investments of a Fund may create an incentive for such General Partner to make riskier or more speculative investments on behalf of such Fund than would be the case in the absence of this arrangement or to allocate an investment to a Fund that Thorofare believes has a better potential to generate carried interest for a General Partner. Thorofare do not allocate investments based on a General Partner's perceived ability to earn carried

interest, and Thorofare believes that any commitment of capital to a Fund by a General Partner and its affiliates generally mitigates the incentive to make riskier or more speculative investments.

Side Letters

A Fund or its General Partner, on behalf of the Fund, may from time to time enter into Side Letters with one or more limited partners, which provide such limited partners with additional or different rights (including with respect to access to information and liquidity terms) than such limited partners have pursuant to the applicable Governing Documents. As a result of such Side Letters, certain limited partners may receive additional benefits that other limited partners will not receive. A Fund and its General Partner, on behalf of the Fund, will not be required to notify any or all of the other limited partners of any such Side Letters or any of the rights or terms or provisions thereof, or offer such additional or different rights or terms to any or all of the other limited partners. The Fund or its General Partner, on behalf of the Fund, may enter into such Side Letters with any party as the General Partner may determine, in its sole and absolute discretion, at any time. The other limited partners will have no recourse against the Fund, the General Partner or any of their affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such Side Letters.

Clients, investors, and prospective investors may contact Thorofare to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Thorofare and the General Partners specialize in managing portfolios of real estate loans and the Thorofare Funds are designed and formed to provide investors with a real estate lending investment vehicle. Thorofare's investment advice is limited to advising on such types of investments. As such, Thorofare does not have traditional brokerage relationships with broker/dealers who execute trades of publicly available securities.

However, Thorofare engages other financing counterparties to complete transactions on behalf of the Funds. When executing a transaction in any investment for a Fund, Thorofare must take reasonable steps to ensure that the counterparty is reliable and that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature. In determining to retain such parties, Thorofare may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Thorofare generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily pay the lowest commission or fee for such services.

Thorofare does not engage or transact with any of its affiliates (including MNIS) for brokerage services.

Item 13. Review of Accounts

Thorofare currently acts as investment adviser to the Thorofare Funds. Thorofare and the General Partners continuously monitor all Thorofare Fund investments for adherence to each respective Thorofare Funds' investment objectives, policy, and restrictions. Each Thorofare Fund has an investment committee which approves each transaction. In addition, each limited partner receives a copy of an annual independent audited financial statement report from each Thorofare Fund in which such limited partner is invested (currently Deloitte).

On a quarterly basis, investors in each Fund will receive an investor update letter containing the assets and liabilities, profits or loss, summary of Capital Account activity as of the end of each fiscal quarter.

Item 14. Client Referrals and Other Compensation

From time to time, Thorofare enters into arrangements with third parties ("Promoters") whereby Thorofare compensates such Promoters for referring investors to invest in Thorofare Funds. To the extent required by applicable law or Thorofare's internal procedures, Thorofare will only enter into an arrangement if the investor is aware of the fee arrangement and the arrangement is in compliance with applicable rules and regulations. Thorofare will furnish each such investor with a current copy of the Adviser's written disclosure statement and the Promoter's written disclosure document and Thorofare will receive from any such client/investor a written confirmation of receipt of such documents, to the extent required by applicable law.

Item 15. Custody

Thorofare is deemed to have custody of client fund assets and securities. Each Thorofare Fund will engage an independent national CPA firm (currently Deloitte) to audit the Funds and complete audited financial statements. Copies of the audited financial statement reports are sent to each Thorofare Fund investor within 120 days of fiscal year-end.

Audits of the affiliated REIT entities are wrapped into the Thorofare Funds annual audits. Thorofare currently does not have any investment SPV or co-investment entities that require a separate independent audit.

Item 16. Investment Discretion

Thorofare has discretionary authority to trade investments held by the Thorofare Funds through its affiliated General Partner of each respective Thorofare Fund. The General Partner of each respective

Thorofare Fund will execute the Investment Management Agreement delegating discretionary investment advisory authority to Thorofare.

Item 17. Voting Client Securities

As discussed above, Thorofare does not anticipate investing in securities which would give rise to voting proxies. However, Thorofare has the authority to vote the Funds' proxies through its General Partner authorities. Therefore, Thorofare has adopted written Proxy Voting Policies and Procedures (the "Proxy Policy"). Investors may obtain a copy of Thorofare's Proxy Policy and information on how the Client's securities have been voted upon the Client's request, free of charge from Thorofare's Chief Compliance Officer (compliance@thorofarecapital.com).

Item 18. Financial Information

Thorofare does not require or solicit the prepayment of fees six months or more in advance. In addition, Thorofare is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Thorofare has no disclosures pursuant to this item.