



Part 2A of Form ADV
The Brochure

Item 1 - Cover Page
March 2023

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This brochure provides information about the qualifications and business practices of Arctaris Impact Investors, LLC, (DBA Arctaris Impact Investors) and its relying advisers (collectively, “Arctaris” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at +1 617-735-6000 or at compliance@arctaris.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Arctaris is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Arctaris is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level or skill or training.

Item 2 - Material Changes

Arctaris is amending this Brochure as part of its Form ADV Annual Amendment for the fiscal year ending December 31, 2022. Since the last Arctaris Brochure filed in April 2022, the following material changes have been made:

- Items 10 and 11: Disclosure regarding Arctaris Impact CDE, LLC an affiliate of Arctaris, that participates in state and federal New Markets Tax Credit programs

In addition to these material changes, certain non-material changes were also made to this brochure. Consequently, we encourage you to read the brochure in its entirety.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	7
Item 6 – Performance Based Fees and Side-by-Side Management	11
Item 7 – Types of Clients	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	14
Item 9 – Disciplinary Information	21
Item 10 – Other Financial Industry Activities and Affiliations	23
Item 11 – Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading	23
Item 12 – Brokerage Practices	25
Item 13 – Review of Accounts	26
Item 14 – Client Referrals and Other Compensation	28
Item 15 – Custody	29
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities	31
Item 18 – Financial Information	32

Item 4 – Advisory Business

Arctaris was founded in 2009 to provide investment advisory services to private pooled investment vehicles, along with their subsidiaries (each a “Fund” or, collectively, the “Funds”). The Adviser’s current strategy is primarily focused on investing in real estate, growth-oriented operating businesses and community infrastructure projects located in underserved communities. Arctaris has partnered with certain corporations, foundations, federal government agencies, and state government agencies to invest in opportunity zones, inner cities, and targeted rural communities throughout the U.S., with the aim of delivering investment returns alongside positive social impact.

The Adviser currently manages (a) private closed-end funds focused on impact investing through opportunity zone investments, investing in operating companies, infrastructure projects, and qualifying real estate (the “Opportunity Zone Funds”), (b) private credit funds focused on impact investments (the “Impact Fund”), and (c) certain other legacy private funds with unique investment strategies.

The Opportunity Zone Funds offer investors an opportunity to participate in, and potentially receive the tax benefits of, investments in qualified opportunity zone businesses (each, a “QOZB Company”). The Adviser generally serves as the project manager for each QOZB Company.

Arctaris has entered into and may in the future enter into arrangements with certain federal, state or local government entities, foundations, public companies, or philanthropic participants to provide guarantees or other forms of “First Loss Capital” for the benefit of the Opportunity Zone and Impact Fund. First Loss Capital is generally expected to represent approximately 10%-20% of capital contributions to the respective Impact and Opportunity Zone Funds, though First Loss Capital may represent materially less or greater than that expected amount. Each Fund bears its *pro rata* portion of any fees and/or expenses payable to a First Loss Capital provider, which may be material. Arctaris will allocate the First Loss Capital between the Funds in a manner consistent with Arctaris’ fiduciary duties and pursuant to Arctaris’ Loss Capital Allocation Policy and processes.

As specified in more detail in the applicable Fund documents, the Impact Funds are generally structured to distribute profits and return capital in order of seniority, first to senior lenders, then to holders of impact bonds and notes, then to the holders of Class A interests, and last to the contributors of “First Loss Capital” which can include Class B interests and other subsidies or investments from federal, state, or local government entities, which help to mitigate risk and provide limited principal protection; the excess, if any, of the proceeds received by the relevant Fund and its subsidiaries and affiliates (including, without limitation, royalties, fees and interest) from the investments of borrowed funds over the borrowing cost of such funds, loan guarantees, and credit insurance would revery to equity holders. The Impact Funds and their subsidiaries have secured First Loss Capital investments from the Fund’s general partner, as well as investment by the general partner and/or its affiliates directly into portfolio investments, along with local, state and federal government agencies, private foundations and other investors sharing a common mission alignment, which results in providing a principal protection cushion for investments of the relevant Impact Fund.

First Loss Capital is not a guarantee of principal protection, Investors in the Funds must be prepared to lose their entire investment.

In providing services to the Funds, Arctaris generally formulates the investment objective for each Fund, directs and manages the investment and reinvestment of each Fund's assets and provides periodic reports to investors in each Fund (limited partners, members, and/or shareholders in the Funds or QOZB Companies are referred to as "Investors"). Investment advice is provided directly to each Fund and not individually to Investors. The Adviser does not tailor advisory services to the individual needs of Investors.

Co-Investments

Arctaris has in the past and may in the future determine that certain investment opportunities appropriate for a Fund should not or cannot be allocated in their entirety to a Fund based on such factors as the size or composition of the Fund, concentration limits, or other reasons deemed relevant by the Adviser. In such instances, Arctaris may (but is not required to) allocate any unallocated portions of such opportunities to one or more Investors, investment funds or accounts managed, advised or sub-advised by the Adviser, affiliates, or such other parties as are selected by the Adviser. These allocation decisions will be based on such factors as Arctaris, in its sole discretion, determines is relevant or appropriate under the circumstances, including but not limited to such factors as: (i) Arctaris's assessment that a co-investor will be able to consummate a co-investment within the time frame established by Arctaris (including completion of due diligence and obtaining all required internal approvals) as demonstrated by, among other things, Arctaris' prior co-investment experience with such co-investor, a co-investor's financial resources, size, staffing, expertise and industry reputation and/or representations made to Arctaris by such co-investor; (ii) Arctaris' assessment that a co-investor's participation in a co-investment may or will provide certain strategic benefits to the Fund; (iii) Arctaris' evaluation of whether the co-investment opportunity may subject the potential co-investor to legal, regulatory, reporting, public relations, media or other burdens that make it less likely the potential co-investor would act upon the potential co-investment if offered; and (iv) such other factors set forth in Arctaris' co-investment policy.

Participants in co-investment opportunities may either invest directly in such co-investment opportunities or through co-investment vehicles managed by or otherwise affiliated with the Adviser. Arctaris has no obligation to offer any such co-investment opportunity to any Investor solely by virtue of its investment in a Fund. However, certain Investors, including any Investor with a side letter that requires Arctaris to offer the Investor such co-investment opportunity, will be given priority over others.

Further, Arctaris may cause a Fund to procure an investment with a view towards syndicating out a portion of the investment to one or more co-investors. There are conflicts of interest attendant to syndication and affiliate transactions, including with respect to timing, fees paid to Arctaris by the co-investor, structuring, and pricing. From time to time, Arctaris through the GP vehicles or other affiliates, may also invest directly in portfolio investments. This may result in conflicts that must be addressed consistent with the fiduciary duty of Arctaris.

The Adviser is owned primarily by Jonathan Tower, Managing Partner, through holding companies. As of December 31, 2022, Arctaris managed approximately \$336,450,406 on a discretionary basis on behalf of the Funds. The Adviser does not manage assets on a non-discretionary basis.

As described above, the Adviser has established various First Loss Capital programs for the Impact Funds and Opportunity Zone Funds. Through these programs, certain Investors provide certain Funds, certain investments in the Funds, or the Adviser with subsidies, junior capital guarantees and other economically similar financing to serve as downside protection. Some Funds or First Loss Capital providers pay Management Fees to the Adviser based on First Loss Capital, regardless of whether the First Loss Capital is called into the underlying Fund. Further, some First Loss Capital becomes callable only if the Fund sustains a loss of a sufficient size or other conditions are satisfied. For purposes of calculating the Adviser's total assets under management, the Adviser disregards First Loss Capital amounts that are contingent on a loss or other condition occurring (because that capital may not ever be available to the Adviser). The Adviser's assets under management include First Loss Capital that is both subject to a Management Fee and either (a) already committed to a Fund or (b) is available to be called at any time (not contingent). The Adviser takes the position that the latter form of First Loss Capital is akin to a capital contribution or an uncalled capital commitment and therefore should be included in assets under management. First Loss Capital may also be used to defray fund costs related to the establishment of the Fund, the investments, and regional investment programs. Such provisions are contained in the First Loss Agreement.

While the Funds are currently the Adviser's only clients, the Adviser and its affiliates may sponsor, manage or advise other accounts in the form of other privately offered funds, investment vehicles or separately managed accounts in the future. Any such additional accounts may be managed according to strategies that are similar to or materially different from the Funds and may invest alongside the Funds. This may include investments made alongside Funds by the GP, as well as management of the Impact CDE entities.

Item 5 - Fees and Compensation

The fees and expenses applicable to each Fund are set forth in detail in each Fund's respective governing documents. A summary of fees and expenses is provided below. Certain Funds may incur different and materially higher fees and expenses, as disclosed in the relevant governing documents. The fees for certain co-investment vehicles or other entities will also be identified in the relevant governing documents.

The compensation received by the Adviser, or affiliates, varies depending on the Fund and the class within each Fund, as applicable. As described in Item 8, fees may be waived or reduced for certain Investors, including for affiliates and employees of the Adviser.

Management Fee

The Adviser receives a management fee (the "Management Fee") in an amount ranging from 2% to 2.5% of Fund assets, as well as certain special tax savings amounts from the Funds. The Management Fee is calculated in accordance with the relevant governing documents and is generally payable in advance on a quarterly or semi-annual basis. A pro rata portion of any Management Fee paid in advance will be repaid if any Investor is permitted to redeem prior to the end of a billing period.

Acquisition Fee

In connection with the acquisition of any investment, as an advance of the Management Fee, the Adviser is entitled to receive from the applicable Opportunity Zone Fund, QOZB Company, or its investments a one-time fee equal to approximately one percent (1%) of the total acquisition costs, including the purchase price, board fees and closing costs, which is payable upon the closing of the acquisition of such property, as finally determined by the Adviser in its sole discretion. Acquisition fees result in an offset to the Management Fees due from Investors.

Disposition Fee

In connection with the divestiture or disposition of investments owned by the applicable Opportunity Zone Fund or QOZB Company, as an advance of the Management Fee, the Adviser is entitled to receive from the relevant property, business, or Opportunity Zone Fund/QOZB Company a one-time fee equal to approximately one percent (1%) of the total divestiture costs, including the purchase price and closing costs, which fee shall be payable upon the closing of the divestiture of such property, as finally determined by the Adviser in its sole discretion. Disposition fees result in an offset to the Management Fees due from Investors.

Servicing Fee

In lieu of a Management Fee on deployed capital, the Adviser for the Impact Fund generally receives a servicing fee for services rendered in the management of such Impact Funds which is equal, in the aggregate, to 3% per annum of the value, as reasonably determined by the Adviser, of all investments and other assets (including cash) held by the Impact Fund and its subsidiaries (without any deduction for any indebtedness of the Impact Fund or any of its subsidiaries). The

Impact Fund pays the servicing fee in arrears, on a quarterly basis on the last day of March, June and September and the first day of January of each year until the final distribution of the Fund's assets in accordance with relevant governing documents. From time to time, to preserve Fund liquidity, servicing fee may be paid in the form of impact bonds issued by the Impact Fund in lieu of cash payment.

Launch Fees

The Adviser receives a "Launch Fee" from a certain Fund, and may receive similar fees from other Funds in the future. The Launch Fee is intended to cover the costs associated with organizing the Fund along with other anticipated expenses detailed in the Fund's governing documents; however, the Launch Fee may materially exceed the expenses that the Adviser actually incurs organizing the applicable Fund. There are no restrictions on how the Adviser may use the Launch Fee.

Other Fees

For certain Funds, the Adviser may receive additional fees as compensation and reimbursement of certain expenses (e.g., travel) for certain services provided to Fund portfolio companies, such as director fees, advisory fees, monitoring fees or other consulting related services. Such fees are detailed in the relevant Fund's governing documents.

Performance-Based Compensation

The Fund general partner, manager, or an affiliate of the Funds generally receives performance-based compensation in the form of carried interest of 20% of the net proceeds attributable to a Fund investment. The exact method of calculation and other terms of any performance-based compensation are more fully detailed in each Fund's governing documents.

Expenses

In addition to the fees described above, Investors bear indirectly the expenses charged to the Funds. Some expenses may be covered by a Launch Fee as discussed above and will not be taken as a Fund expense. Expenses vary by Fund and are detailed in relevant governing Fund documents, but typically include the following non-exhaustive list:

- Organizational expenses, including, all expenses associated with organizing any Fund, QOZB Company, subsidiary, special purpose vehicle, or other vehicle including, without limitation, travel, legal, accounting, marketing, equipment, printing, tax advisory, investment banking, placement and capital raising fees and expenses incurred by a Fund or any of its affiliates in connection with the preparation of its offering documents, any operating agreement and the marketing and private placement of the interests; and the preparation of, and negotiations with respect to, all definitive agreements, any side letter or similar agreement, any administration agreement or any related document;
- Expenses associated with the operations of any Fund, QOZB Company, subsidiary, special purpose vehicle, or other vehicle including, without limitation:

- investment-related expenses, including fees and expenses of consultants and operating partners (including affiliated operating partners), and costs and expenses of research relating to the investment strategy, as well as broken deal expenses;
- expenses related to the support of a portfolio company, including the costs related to the secondment of Arctaris employees to the portfolio company to complete work necessary to the operations of the portfolio company;
- ongoing legal, accounting, and tax preparation expenses of a Fund;
- accounting software and loan portfolio management software;
- third-party administration expenses;
- expenses associated with securing trademark and service mark protection;
- fees for investment banking advisory or transaction services, custodial, dues, insurance, including cyber and general liability insurance, and reporting expenses;
- the portion of insurance and directors' and officers' insurance applicable to the Fund;
- executive recruiting expenses and signing bonuses for new employees;
- investment valuation, acquisition and disposition expenses;
- expenses associated with establishing leases for new offices, including security deposits, entering into letters of credit, and reasonable leasehold improvements;
- interest and borrowing expenses and fees;
- unreimbursed expenses associated with the evaluation and due diligence of investment opportunities (whether or not consummated);
- unreimbursed expenses associated with the collection process;
- unreimbursed legal expenses associated with any loan, borrowing, or investment, or in litigation defense;
- expenses for board, advisory board, annual, or periodic meetings with Investors, including travel expenses incurred in connection therewith;
- fees and expenses (if any) of any guarantor or loss capital provider;
- costs, expenses, liabilities and obligations relating to any activities to further capitalize a Fund, directly or through finance subsidiaries, including any securitization financings (including all costs of establishing any such financing in a legally compliant structure);
- project expenses, including those to retain third parties for necessary services relating to a project and its operations, including administrative services, construction, special servicing, leasing, development, redevelopment, renovation, rehabilitation, property oversight, financing, brokerage and other property management services;

- certain expenses of the general partner and/or the Adviser, including administrative and overhead expenses attributable to providing services to the Fund, including, without limitation, rent, general operating systems and technology, supplies, utilities, publications and subscriptions, licensing fees, and data processing;
- compensation of certain investment professionals employed by the general partner, the Adviser, or their respective affiliates incurred based upon the percentage of time such investment professionals devote to matters related to the relevant Fund;
- placement agent fees; and
- all out of pocket expenses (including, without limitation, legal and accounting costs and travel expenses) associated with any co-investment opportunity that is unconsummated, including any portion thereof that may or would have been allocated to potential investors had such co-investment been consummated. Notwithstanding the foregoing, the Adviser seeks to allocate broken deal expenses to investors of the co-investment where it is appropriate and reasonable to do so.

The Adviser has adopted procedures that govern the allocation of expenses that are shared by various participants, including the Funds. Expenses that are incurred jointly for multiple participants are generally allocated *pro rata* based on the called capital of each relevant participant at the time of allocation or in such other manner that the Adviser considers fair and reasonable. The Adviser will bear the portion of an expense attributable to participants for whom it is not permitted to charge such expense, as applicable. Certain types of expenses that the Adviser is permitted to allocate to a Fund pursuant to its governing documents may be borne by the Adviser in its sole discretion while other Funds will bear similar types of expenses.

Please refer to the governing documents for a full description of Fund fees and expenses.

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

In addition to the fees noted in Item 5 above, the general partner, manger, or affiliate of certain Funds is allocated a performance fee in the form of carried interest or, in the case of the Arctaris Impact Fund, LP, the residual value of Class B equity interests in the Fund, based on the net proceeds attributable to a Fund investment. The fact that Arctaris is compensated based on profits may create an incentive for Arctaris to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

The Funds have different fee structures. Additionally, other Funds, accounts and co-investment vehicles that may be formed in the future may not have the same fee structure as the current Funds. To the extent that there are currently or may be in the future differences in compensation arrangements, such circumstances could create an incentive for Arctaris to manage Funds so as to favor one Fund that pays performance-based compensation over one that does not. Notwithstanding this conflict, Arctaris will allocate transactions and opportunities among the Funds in a manner it believes to be equitable, considering each Fund's objectives, programs, limitations, and capital available for investment.

Conflicts Related to First Loss Capital Allocation

As discussed above, First Loss Capital has taken and in the future is expected to take the form of (a) an insurance-like guarantee which would reimburse applicable Funds up to a specified amount in the event of a realized loss; or ("Guarantee") and (b) last-money-out capital ("Last-Money-Out Capital") which is invested into a particular Fund and returned to its investors only after such Fund has achieved a specific financial performance hurdle (e.g., a full return of capital).

First Loss Capital is either pledged to a particular Fund by an investor or made available to a group of Funds (e.g., the Opportunity Zone Funds). When First Loss Capital is available for multiple Funds, Arctaris will allocate the First Loss Capital between or among the applicable Funds in a manner consistent with Arctaris's fiduciary duties. Certain Funds charge Management Fees on committed First Loss Capital and the allocation of First Loss Capital to a Fund will increase the Fund's NAV and overall performance. Thus, there are inherent conflicts of interest that Arctaris faces when making allocation determinations. To mitigate these conflicts Arctaris has adopted a Loss Capital Allocation Policy, which is summarized below:

First Loss Capital Allocation

First Loss Capital that is structured like a guarantee is generally initially allocated among the applicable Funds *pro rata* based on each Fund's quarterly adjusted AUM. Fees associated with a Guarantee are also generally allocated on the same basis. First Loss Capital allocated to a particular Opportunity Zone Fund is allocated *pro rata* among such Fund's investors. However, Arctaris may allocate in a different manner if so required pursuant to an agreement with a First Loss Capital provider (e.g., where a First Loss Capital provider conditions First Loss Capital on use in certain geographic regions or in connection with certain specified categories of projects). When a Guarantee payment is made, the provider of First Loss Capital disburses cash to the Adviser (subject to back-to-back guarantees with the relevant Fund or Funds), Fund or Funds. Thus, Funds that received the earliest disbursements may deplete some or all of the Guarantee protections before it can be used by other Funds.

If a Fund suffers a loss that is larger than its First Loss Capital Allocation, the Fund and its investors will realize the difference. Arctaris may re-allocate First Loss Capital as necessary following an initial allocation. Before a Fund suffers a loss or is anticipated to suffer a loss, First Loss Capital may be reallocated for any number of factors including, risk of investment and investment horizon. If an investment is held by more than one Fund, Arctaris will allocate the Guarantee reimbursement proceeds among the relevant Funds on the basis of the amount of the Guarantee previously allocated to each Fund. Arctaris may hold back part or all of a Guarantee disbursement as a reserve.

Last-Money-Out Capital Allocation

Last-Money-Out Capital is committed in advance of the Fund's first capital call. Before Last-Money-Out Capital is called or contributed into a Fund, committed capital is either allocated *pro rata* based on the quarterly adjusted AUM of each Fund eligible to receive such proceeds, or as specifically designated (by the First Loss Capital Investor who provided) to a particular Fund or Funds.

If the Last-Money-Out Capital is not specifically designated to a single Fund, once it is called, the committed capital will be allocated among the applicable Funds on a percentage basis of capital that is eligible or applicable for such Last-Money-Out Capital based on any agreements with the government or foundation partner who provided the capital. However, Last-Money-Out Capital may also be deposited into just one Fund, for instance, if that Fund was making an investment in a region, industry or demographic distinction that fulfilled the mission of a foundation or government partner's program. Once contributed, Last-Money-Out Capital may not be reallocated between Funds.

Item 7 - Types of Clients

Arctaris provides advisory services to various private funds, including private debt funds and private equity funds.

Subject to the discretion of Arctaris to accept less, the minimum investment threshold for the Funds is generally \$1,000,000.

Interests in the Funds are not registered under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and no Fund is registered under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions.

The Adviser and/or one or more affiliates, without notice to or consent from existing or prospective Investor, has in the past and may in the future enter into side letters or similar separate agreements with one or more Investors that alter the terms and conditions described in the Fund's governing documents (including, without limitation, with respect to the Management Fee, performance-based fee, transfers, notices, reporting, and disclosure).

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

Investment Strategies

Arctaris manages the Opportunity Zone Funds and the Impact Funds, as well as certain other legacy private funds with unique investment strategies.

The Opportunity Zone Funds generally invest in private equity operating companies, renewable energy projects, broadband and telecommunications infrastructure, and businesses that will purchase, develop, own, and operate real property, in conjunction with real estate developers, with an emphasis on permanent job creation, retention, and/or improvement for low- or moderate-income persons and/or for low- or moderate-income communities. These funds are typically formed to offer investors an opportunity to participate in, and potentially receive the tax benefits of, investments in qualified opportunity zone business(es). As a general matter, the Opportunity Zone Funds will make investments in the form of common or preferred equity. In addition, the Opportunity Zone Funds may invest in interest bearing instruments or accounts, including (a) repurchase agreements of Primary Federal Reserve Dealers using Treasury Securities only, (b) bankers acceptances which are legal for purchase by the Federal Reserve Bank, (c) United States Treasury Bills and Agency Discount Notes, (d) commercial paper that is rated by Moody's Investor Services or Standard & Poor's Corporation in its highest or second highest rating category, (e) investments in money market funds, exchange traded funds or cash equivalent investments or other short-term investments, and (f) accounts or mutual funds which invest in any of the foregoing. The Opportunity Zone Funds may also make short-term debt investments as part of bridging a timing gap between funding of transactions and issuance of capital calls or otherwise in connection with other equity investments of the Opportunity Zone Fund. The Opportunity Zone Funds may also receive warrants or other equity derivatives in connection with its investment.

The Opportunity Zone Funds (through QOZB Companies) directly invest in private equity operating businesses and assets used in such businesses; develop, redevelop, improve, renovate, rehabilitate or construct the real estate properties acquired by a QOZB Company; and enter into joint ventures or other arrangements with operating partners (for example, local real estate developers) to develop, redevelop, improve, renovate, rehabilitate or construct the real estate properties acquired by such QOZB Company. In selecting operating partners, the Adviser evaluates the partner's experience, reputation and expertise, among other factors.

The Impact Funds generally invest in lower middle market companies located primarily in inner cities and targeted rural communities in the United States through debt and royalty structures designed to generate attractive risk-adjusted returns with principal protection. These funds seek to issue senior and subordinated debt instruments with royalty-based enhancements or equity components, such as warrants or equity, to companies that are seeking capital to fund growth and create jobs in targeted geographies. The Impact Funds are comprised of a diversified portfolio of income-generating securities. Government and foundation partners provide Fund-level principal protection and deal-level grants, tax credits, and concessionary loans to protect investor capital.

The strategies of the legacy private funds include providing senior and subordinated debt to profitable, growing businesses in underbanked markets across the U.S., providing growth debt to businesses otherwise underserved by prevailing credit markets, and providing growth debt capital

to businesses seeking an alternative to traditional venture capital.

Certain Funds or separate vehicles managed by Arctaris invest in qualified equity investments made in Community Development Entities (“CDEs”) that have provided qualified debt financing to borrowers which own, operate or lease community development projects that qualify for new markets tax credits. Arctaris manages a CDE Fund as part of its impact mission.

Methods of Analysis

Arctaris conducts comprehensive due diligence on each investment it identifies for the Funds. The Adviser engages in fundamental due diligence, due diligence on management teams and development partners, and market research with respect to investments. This analysis is supplemented by financial modeling and downside sensitivity analysis to assess the anticipated performance of each investment under adverse conditions.

When conducting due diligence on potential investments, Arctaris conducts a preliminary review of each opportunity to assess the merits and risks of each investment that generally involves an initial projection based on macro- and micro-economic analyses. The Adviser generally develops assumptions based on the proprietary research and analysis of its investment team, discussions with service providers and operating partners (when applicable), market trends and published sources, and may engage sector experts. The Adviser also conducts further due diligence to verify the initial projections and will conduct various scenario analyses and analyze potential exit strategies utilizing proprietary models. Arctaris generally engages third parties, including consultants, tax advisors, and outside counsel to assist in its review.

After the due diligence in respect of an investment is finalized, an investment memorandum is generally prepared which describes the investment opportunity, including an assessment of potential upside and downside expectations, investment budgeting, exit strategies, the roles of any investment partners and the contractual protections and rights of the Fund in its dealings with those partners, overall Fund portfolio diversification impacts, and an analysis of the investment’s compliance with the relevant Fund’s investment program and its various tax and regulatory requirements. The Investment Committee reviews and approves investments.

On an ongoing basis, Arctaris actively monitors the progression of investments and market conditions surrounding investments, including periodically incorporating relevant changes into the financial projections initially developed.

Arctaris develops potential exit strategies for investments as appropriate over time. When determining whether to sell or otherwise dispose of a particular investment, the Adviser may take into account the following: an evaluation of the investment; an assessment of the returns from the investment; an evaluation as to whether the value creation plan that was established in respect of such investment at acquisition has been successfully completed; and an evaluation of whether an exit of the investment would affect the Fund’s regulatory status, among other things.

In addition to traditional underwriting and investment analysis, Arctaris utilizes a comprehensive impact methodology that considers many variables in making investment decisions and measuring impact. The impact investing strategy reflects the Adviser’s strong belief that generating financial returns and creating long-lasting social and environmental impact are not only complementary, but

also mutually reinforcing objectives. The Adviser focuses on both the outputs (e.g., jobs created, wages increased) and the outcomes (e.g., community growth/ revitalization) provided by investments.

Risks of Loss

An investment in any of the Funds is speculative and involves a high degree of risk and therefore should be undertaken only by Investors capable of evaluating and bearing the risks of the Funds. There can be no assurance that the Funds will achieve their investment objective or that the strategies described herein will be successful. There exists a possibility that an Investor could suffer a substantial loss as a result of an investment in the Funds. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments), tax considerations and tax treatment, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts and security operations).

There is no assurance that future results will be the same as past results. Below is a summary of the material risks associated with the Adviser's investment strategy and types of investments.

Prospective Investors in the Funds should refer to the Fund's governing documents for a full description of risks.

Risks associated with the types of securities primarily recommended by Arctaris include:

Illiquid Investments. The Funds invest in certain illiquid investments. Many factors that are beyond the Adviser's control affect the economic markets and could affect a Fund's ability to sell investments for the price, on the terms, or within the timeframe that the Adviser desires. These factors include general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Many of the Funds' investments will be illiquid, and if required to liquidate all or a portion of its portfolio quickly, a Fund may realize significantly less than the value at which it has previously recorded its investments and its ability to vary the Fund's portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect the results of operations and financial condition.

Joint Venture Investments. Certain Funds may enter into joint ventures to acquire properties and other assets and may purchase and develop properties in joint ventures or in partnerships, co-tenancies and/or other co-ownership arrangements. Such investments may involve risks not otherwise present with other methods of investment, including, for example, the following risks: that a co-venturer, co-tenant, or partner in an investment could become insolvent or bankrupt; that such co-venturer, co-tenant, or partner may at any time have economic or business interests or goals that are or that become inconsistent with the Fund's business interests or goals; that such co-venturer, co-tenant, or partner may be in a position to take action contrary to the Fund's instructions or requests or contrary to its policies or objectives; or that disputes between the Fund and a co-venturer, co-tenant, or partner may result in litigation or arbitration that would increase the Fund's expenses and prevent its officers and directors from focusing their time and effort on Fund operations.

Renewable Energy-Related Assets. The success of the renewable energy projects in which certain

Funds may invest will depend, to a degree, on the availability of rebates, tax credits, and other financial incentives and government policies affecting the purchase and use of energy generated from solar, wind and other alternative and renewable resources, changes in which could reduce the demand for these services and impair margins. Such changes can occur with little advance warning and opportunities to mitigate the consequences in any single jurisdiction may be limited.

Real Estate and Infrastructure. Investments in real estate and infrastructure may face construction risks, including, without limitation: (i) labor disputes, shortages of materials and skilled labor or work stoppages; (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (iii) less than optimal coordination with public utilities in the relocation of their facilities; (iv) adverse weather conditions and unexpected construction conditions; (v) accidents or the breakdown or failure of construction equipment or processes; (vi) catastrophic events such as explosions, fires and terrorist activities, and other similar events; and (vii) risks associated with holding direct or indirect interests in undeveloped land or underdeveloped real property.

Opportunity Zone Investments. Opportunity zone investments are subject to unique risks, including potential regulatory change. For example, a proposed bill could significantly change the qualification requirements under the opportunity zone program, with many of these provisions having retroactive effect. These changes would terminate the designation of certain tracts as qualified opportunity zones, significantly change some of the requirements for qualification as a qualified opportunity zone business and make some other changes to the opportunity zone provisions, with many of these changes having retroactive effect to the date of the original enactment of the opportunity zone provisions. In addition, while the Adviser intends each Opportunity Zone Fund to meet the requirements to be treated as a qualified opportunity fund which offers certain tax advantages, the ability to be treated as a qualified opportunity fund is subject to considerable uncertainty. It is possible that a Fund may fail to meet the requirements and there can be no guarantee that any investor will realize any tax advantages of investing in a qualified opportunity fund as a result of an investment in a Fund.

Investors' Qualification for Opportunity Zone Tax Benefits. Not all capital gain qualifies for the opportunity zone tax benefits and to get the opportunity zone tax benefits, an Investor must invest in an Opportunity Zone Fund in an amount equal to such eligible capital gain within one hundred eighty (180) days of realizing such gain (subject to certain extensions related to COVID-19). Additionally, Investors are required to make certain elections and include certain information on their tax returns each year to qualify for the opportunity zone tax benefits. Neither the Adviser nor the Opportunity Zone Funds have any control over such investor level circumstances and accepts no responsibility as to whether any capital contribution qualifies for such purpose. Investors are therefore urged to consult their own tax advisor with respect to their particular circumstances when investing in the Opportunity Zone Fund.

State and Local Tax Conformity to the Opportunity Zone Tax Benefits. The state and local tax conformity to the opportunity zone tax benefits varies from jurisdiction to jurisdiction. While some state and local tax jurisdictions fully conform to the opportunity zone tax benefits, other jurisdictions may offer parallel benefits or no similar benefits.

Debt Investments. The value of a Fund's exposure to the debt of lower middle market business loan

interests may be detrimentally affected by the extent to which borrowers default on their obligations, there is any insufficiency of collateral and/or high legal and other costs incurred in collecting on the underlying business loans, or the failure of the providers of first loss protection to perform. In addition, investing in lower middle market companies typically involves more risk than investing in larger companies. Relevant Funds attempt to mitigate such risk by requiring, where appropriate, low loan-to-liquidation values, adequate collateral and third-party guaranties for the underlying business loans, and adequate capitalization among the providers of first loss protection. However, there can be no assurances that such types of mitigants will be successful in preventing losses on investments.

Investment in Different Parts of the Capital Stack. Conflicts will arise in cases where different Funds invest in different parts of an issuer's capital structure, including circumstances in which one or more Funds may own private securities or obligations of an issuer and other Funds or may own or seek to acquire securities of the same issuer. For example, a Funds may acquire a loan, loan participation or a loan assignment of a particular borrower in which one or more other Funds have an equity investment, or may invest in senior debt obligations of an issuer for one Fund and junior debt obligations or equity of the same issuer for another Fund.

Risks of Investing in Private Companies. Certain Funds will primarily invest in the securities of private companies. Investments in private companies involve substantial risks, including, without limitation: (i) adverse or ineffective, as well as inconsistent, alignment of interests among management (including as a result of personal/family rather than business issues); (ii) technological obsolescence; (iii) financial planning misjudgment; (iv) employee or management misconduct; (v) lack of reliable financial information; and (vi) any number of general economic conditions that are beyond the control of both management and the Manager, such as: changing market sentiment; changes in economic conditions, competition and technology; changes in interest rates; changing political conditions or events; and changes in tax laws and governmental regulation. Moreover, investments in companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities. There can be no assurance that the Fund will be adequately compensated for risks taken in respect of its investments in private companies. A complete loss of the Fund's investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's term, while successes often require a long maturation.

Risks of Investing in Early-Stage Companies. Certain Funds may invest in securities as part of a "seed" or "incubation" investment or other early rounds. Investments in such early stage companies may involve greater risks than are generally associated with investments in more established companies. Such companies may have shorter operating histories on which to judge future performance, may have negative cash flow and may have no revenue history or uncertain revenue potential. Such companies may experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. Less established companies are often undercapitalized and vulnerable to financial failure. The Fund's ability to invest in early stage companies may increase the risk of losses and, as a result, increase the risk of an investment in the Interests. The percentage of such

early stage companies that survive and prosper can be small.

Participation in Management of Issuers. From time to time, Arctaris or its affiliates may take actions in an effort to maximize shareholder value in companies in which a Fund or Funds have a substantial investment by participating in the management of such companies. For example, Arctaris may seek representation on the board of directors of such a company. A member of a board of directors owes certain obligations to all shareholders of the company. Due to these activities, Arctaris may become an “insider” for the purpose of the federal securities laws and, accordingly, a Fund may be restricted or prohibited from trading securities of the company, including securities which it may own in such company, while Arctaris continues to be represented on the board of directors. Further, presence on the board of directors may enable the directors to direct, influence or vote on actions related to certain Fund investments. This may create conflicts of interests where multiple Funds have invested in the company and the Funds’ interests are not aligned. For example, if a Fund had made a loan to a portfolio company, the board of directors (which can include Arctaris employees) may direct the portfolio company to pay back that loan out of the loan proceeds from another Fund’s investment. Arctaris-appointed board members generally abstains from voting on such matters so as to avoid conflicts or the perception of conflicts.

Royalty and Other Equity Arrangements. A significant aspect of the Impact Fund’s investment strategy may involve acquiring royalty or other equity-like arrangements associated with certain debt investments. Under a typical royalty arrangement, the relevant Impact Fund will be entitled to a percentage of a company’s incremental revenue growth beyond a specified hurdle over a period of time. For many such royalty arrangements, the relevant Impact Fund will endeavor to reach negotiated settlements of expected royalty liabilities. Accordingly, while the Impact Fund intends to pursue a strategy of investing primarily in the debt of private companies, a significant component of the Fund’s returns may derive from equity interests or royalty interests in the Fund’s target companies. The risks associated with such equity or royalty arrangements will be enhanced by the significant leverage that will typically be involved and the Fund’s correlated exposure to the company’s underlying debt.

Investments in Affiliated Companies. The Adviser’s management of the Funds may benefit the Adviser and its affiliates. For example, the Opportunity Zone Funds, through the QOZB Companies, may invest, directly or indirectly, in other investment vehicles that are managed, structured, sponsored or controlled by the Adviser or one of its affiliates. Investments in affiliated companies or businesses may present certain potential conflicts of interest. The Adviser may have an interest in raising funds for affiliated companies and businesses, because the affiliated companies or businesses may require such funds to operate. Notwithstanding these potential conflicts, the Adviser will only make investment decisions for the Fund in good faith and in a manner that is consistent with its fiduciary obligations to the Fund, without regard to the benefits to the Adviser or its affiliates.

Material risks and conflicts relating to the Adviser’s investment strategies include:

Conflict Risks. Arctaris has developed policies and procedures to identify, mitigate and address. Conflicts of interest that may arise in the course of business. This includes committee structures to address conflicts, infrastructure, compensation and regulatory related items. Included in these processes is the management of the Arctaris business, including its proprietary investment into

Funds and portfolio companies and the conflicts that arise from those activities.

Concentration of Investments. Certain Funds hold a limited number of investments at any given time. As a result, the relevant investment portfolio could become highly concentrated, and its aggregate return may be affected substantially by the performance of a single investment or only a few investments.

Uncertain Value of Investments. Most of the Funds' investments are in the form of securities that are recorded at fair value but that have limited liquidity or are not publicly traded. As a result, Arctaris will value such investments in accordance with its valuation policy, which requires investments to be valued at par for the first year of the investment unless there is a material corporate event of the underlying investment. Thereafter, Arctaris estimates the fair value of these investments on internally on a semi-annual basis, and annually following review and approval by a valuation committee of materials and valuation recommendations prepared by the investment teams and reviewed by a third-party valuation agent. The fair value of securities and other investments that have limited liquidity or are not publicly traded may not be readily determinable. Because such valuations are inherently uncertain, may fluctuate over short periods of time and may be based on numerous estimates, the Adviser's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. The value of the interests could be adversely affected if such determinations regarding the fair value of these investments are materially higher than the values that the Funds ultimately realize upon their disposal.

First Loss Capital. The Adviser has entered into and may in the future enter into arrangements with various federal, state or local government entities, foundations, financial institutions and other entities or philanthropic organizations to provide subsidies, guarantees, credit insurance, or other similar guarantees for the benefit of a Fund. There can be no assurance that the Adviser will in fact negotiate such arrangements or sufficient arrangements such that guarantees will be provided. Further, in the event such guarantee is obtained, there is no guaranty that the provider of First Loss Capital will provide the agreed upon capital to the relevant Fund.

Undeveloped Programs for Loan Origination. Certain Funds make significant investments in separate partnership or other vehicles established to implement individualized lending structures within particular states. While the Adviser believes that the market for such lending structures will be strong, such structures in many cases are untested or do not currently exist and must be developed through satisfactory arrangements negotiated with state or municipal governmental authorities or agencies. Even where a lending structure is negotiated, agreed and approved, no assurance can be made that it will be successfully implemented, that loans suitable for the Fund will be created, or that such loans will perform.

Fund-Level Borrowing. In addition to the inherent leverage of certain assets of the Funds, the Funds have the right to incur indebtedness through the borrowings by the Fund itself. The use of leverage will further increase the leverage risks already inherent in the Fund's portfolio investments.

Impact Investments; Difficulty of Achieving and Measuring Social Impact. Social impact investments are subjected to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, an investment's

potential to achieve a positive social impact will be one factor considered. As a result, the opportunity set for potential investments will necessarily be smaller than it would otherwise be if the Fund were seeking to make investments solely on the basis of financial returns. In addition, although Arctaris believes that pursuing positive social impact should not negatively affect an investment's financial returns, and it can even enhance a portfolio company's profitability, it is possible that a company's dual focus on financial success and positive social impact will from time to time require it to make decisions that favor one goal at the expense of the other. Any determination about whether or not a potential investment is expected to produce a positive social impact will be made in Arctaris's sole discretion. The determination about what constitutes a positive social impact is inherently subjective, and what Arctaris considers to be socially beneficial will not necessarily reflect the views of all prospective investors. In addition, it is possible that the companies and projects in which the Fund invests are unable to obtain or realize the positive social impact that they seek to deliver. There are inherent difficulties in measuring positive social impact and therefore no guarantee that such measurements will be accurate or reflect the actual social impact achieved, if any.

Coronavirus and Public Health Emergency. In early 2020, the global outbreak of a novel coronavirus disease ("COVID-19") created enormous unprecedented economic and social uncertainty throughout the world. The ultimate impact of COVID-19 outbreaks (or of any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, but COVID-19 and the reactions to it have already had dramatic adverse effects on global, national and local economies and on financial markets, and there is a significant likelihood that that negative impact will persist for some time. The outbreak of COVID-19 has contributed to, and may continue to contribute to, volatility in financial markets, which may disrupt historical pricing relationships or trends, disrupt the availability of financing or negatively impact the performance of the Funds. Governmental responses to the COVID-19 outbreak may be inadequate to limit the outbreak's spread or to mitigate its impact on any nation's economy or the global economy, and those responses could have adverse effects, intended and unintended on market structures and the overall, long term performance of markets.

Cybersecurity. Arctaris, the Funds, and relevant service providers are subject to risks associated with "cybersecurity" breaches. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from unauthorized access or manipulation by other computer users and the efforts to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cyberattacks may cause losses by interfering with the processing of transactions, affecting investment activity or otherwise affecting the information systems upon which Arctaris and or the Funds rely. A successful penetration or circumvention of the security protocols of Arctaris's systems or the systems of Arctaris's service providers could also result in the loss or theft of data or funds, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs and could result in financial loss.

The Funds' data systems, as well as those of third-party administrators and other business partners working on behalf of the Funds, are vulnerable to security breaches due to the increasing sophistication and frequency of cyber-attacks, viruses, ransomware, spyware and other malware and infiltration methods, hackers and other external hazards, as well as equipment and system

failures and inadvertent errors, negligence or intentional misconduct of employees and/or contractors. The Funds and their third-party administrators and other business partners work to defend against and respond to data security threats and investigate and remediate breaches that have occurred.

Benefits from Third Parties. Arctaris, its affiliates and their personnel, will, from time to time, receive benefits such as gifts, entertainment or discounts from direct or indirect service providers to, counterparties of and portfolio companies of Funds. Such benefits have the potential to create conflicts of interest in the selection and retention of service providers and counterparties and the acquisition and disposition of investments.

Fee Reduction. Fees owed to the Adviser have been and may in the future be waived, reduced, or calculated differently with respect to certain Investors, including, without limitation, Investors who subscribed early to the Funds, Investors that are officers, directors, members, partners, consultants or employees of Arctaris, members of the immediate families of such persons and trusts or other entities for their benefit, in each case in Arctaris's sole discretion.

Item 9 - Disciplinary Information

Arctaris and its management persons and employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10 - Other Financial Industry Activities and Affiliations

Arctaris and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Arctaris and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

An affiliate serves as the general partner of certain Funds, and each such Fund is managed by its respective general partner or respective Adviser.

Certain Opportunity Zone Funds or their subsidiaries engage the Adviser or an affiliate as operating partners to provide certain services in exchange for fees or other compensation. There can be no assurance that such fees will not be greater than those charged by certain similarly situated third-party service providers/operating partners in any given circumstance. In addition, the fees and other terms payable to an affiliate may be different on an investment-by-investment basis. The Adviser's ability to cause the Fund or investments to engage an affiliate will give rise to certain potential conflicts of interest. For example, the Adviser will be incentivized to engage an affiliate on behalf of a Fund, even if a third party may have more experience, be better suited for such engagement, and/or be willing to provide such services at lower rates.

Employees and persons acting on behalf of the general partner are subject to the supervision and control of Arctaris. Unless otherwise disclosed herein, Arctaris and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Arctaris Impact CDE, LLC ("Arctaris CDE"), an affiliate of Arctaris, participates in state and federal New Markets Tax Credit programs ("NMTC Programs"), which aim to support business enterprises that create economic development opportunities in low-income areas. As an allocatee of credits under one or more NMTC Programs, Arctaris CDE makes new markets tax credit-qualified loans or investments to one or more qualified businesses. The federal NMTC Program is administered and regulated by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury, while state New Market Tax Credit Programs are administered and regulated by various state governmental agencies. As an allocatee of credits under the NMTC Programs, Arctaris CDE enters into agreements with third-parties to place these credits into commerce.

Information on how Arctaris seeks to address any potential conflicts that may arise as a result of Arctaris CDE's participation in NMTC Program and other ventures is addressed below in Item 11.

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

Arctaris maintains a Code of Ethics (the “Code”), which requires, among other things, that access persons:

- Act with competence, dignity, integrity, and in an ethical manner, when dealing with the Funds, investors, the public, prospects, third-party service providers, and fellow supervised persons;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting Arctaris’s services, and engaging in other professional activities;
- Adhere to the highest standards with respect to any potential conflicts of interest with the Funds - as a fiduciary, Arctaris must act in its clients’ best interests;
- Avoid or disclose conflicts of interest;
- Promptly report any improper or suspicious activities, including any suspected violations of the Code or the federal securities laws to the Chief Compliance Officer;
- Conduct all personal securities transactions in a manner consistent with the Code; and
- Comply with applicable provisions of the federal securities laws.

Arctaris has established procedures utilizing a compliance management software for monitoring supervised persons’ securities transactions and holdings. The Code requires pre-clearance for certain personal securities transactions and requires employees to submit periodic reports of holdings and transactions. Arctaris’ personal securities trading policies apply to supervised persons, as well as their immediate family members living in the same household.

A copy of Arctaris’ Code is available upon request at the address or telephone number listed on the cover page of this Brochure.

Arctaris, its related persons, and/or affiliated entities will have an investment or economic interest in each Fund, as well as certain portfolio companies. For example, certain personnel are entitled to carried interest from certain Funds. Arctaris and/or its employees have in the past and will in the future invest in the Funds by agreeing to commit a certain percentage of the respective Fund’s total capital commitments or a certain amount as described in the governing documents.

Co-Investment Opportunities

Arctaris and its supervised persons are generally permitted to participate in co-investment entities that invest in certain assets that are related to investments of the Funds. Any co-investment opportunities offered to Arctaris or its supervised persons will be on the same terms and in the same portion of the portfolio company’s capital structure or on such terms and/or in such portion as may be otherwise disclosed to, or agreed upon with, the Funds. Additionally, the extent to which Arctaris or supervised person co-investments take away from the size of the investment opportunity available to the Funds will be properly disclosed and/or mitigated through limits on the size of the

co-investments. Arctaris and its supervised persons will generally make and dispose of their co-investment at the same time as any Fund or other investors, unless otherwise disclosed to, or agreed upon with, the Funds.

Conflicts associated with Arctaris CDE

Certain Funds may or may not invest in projects that Arctaris CDE has allocated or may allocate NMTC credits (“NMTC lower tier investment”) and as such Arctaris CDE may earn a fee associated with the contribution of NMTC credits associated with such NMTC lower tier investment.

Item 12 - Brokerage Practices

Arctaris is generally authorized to make the following determinations, subject to each of the Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund (or Investors): (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction (as applicable) ("Broker-Dealer"); and (4) the commission rates or commission equivalents charged for transactions (as applicable).

Best Execution

The Funds invest primarily in privately issued securities. Thus, commissions are not ordinarily payable in connection with Fund investments. To the extent Arctaris transacts in public securities or engages in any currency hedging activities on behalf of the Funds, it intends to select counterparties based upon their ability to provide best execution. While not defined by statute or regulation, "best execution" generally means the execution of client trades at the best net price considering all relevant circumstances. Besides price, Arctaris will consider several factors in its analysis of execution quality, such as the promptness and overall quality of execution, availability and liquidity of the desired security, maintenance of confidentiality, the broker-dealer's settlement capabilities, and the broker-dealer's financial condition. To the extent feasible, Arctaris will seek competitive quotes on all trades.

Use of Real Estate Brokers

Arctaris generally engages a real estate broker in connection with the disposition of a real estate asset held on behalf of a Fund. Arctaris selects the brokerage company and the particular real estate broker that it believes will best represent the interest of the Funds.

Arctaris receives real estate market data research from real estate brokers, and also uses the services of those real estate brokers to buy or sell real estate investments for the Funds. Arctaris generally obtains market research from real estate brokers that is available to other market participants and does not select real estate brokers for Fund transactions based on the research provided.

Soft Dollars

Arctaris does not intend to enter into any formal soft dollar arrangements to compensate Broker-Dealers for research or other benefits.

Investor Referrals

As described in further detail in *Item 14: Client Referrals and Other Compensation*, Arctaris has entered into placement agent arrangements with unaffiliated third parties on behalf of certain Funds.

Principal or Cross Transactions

Arctaris generally does not cause the Funds to engage in any principal transactions. In the event

that Arctaris were to enter into a principal transaction involving securities, Arctaris will first consider and determine that the transaction is in the best interests of participating Funds.

Additionally, to the extent consent is required for any such transaction, Arctaris will follow all conflicts policies and obtain consent from the appropriate advisory committee(s).

Arctaris may, subject to applicable law, effect transactions between certain Funds in which the applicable Fund will purchase securities or assets from another Fund. Such transactions (i.e., cross trades) shall be effected only when Arctaris believes that such transactions are in the best interest of the applicable Funds. Any transaction costs incurred in connection with any such transaction will be shared pro rata between the applicable Funds.

Allocation of Investment Opportunities

The Funds and any co-investment vehicles, subsidiaries, affiliates, or other clients advised or sub-advised by the Adviser may invest in the same investment opportunities. Investments are allocated in good faith and in a manner that is, in the sole determination of the Adviser, fair and equitable over time. In the event that more than one client is permitted to make an investment at a given time, Arctaris will consider the appropriateness of any available investment opportunities for each of the available clients.

The Adviser generally intends to allocate opportunities on a first-in-first-out basis such that the client which has been in active operation for the longest time will be first allocated such transactions. However, in situations where executing the transaction in one client would result in an outsized portfolio concentration in one issuer, geography, industry or asset class than the Adviser deems appropriate, the Adviser may allocate such investments *pro rata* based on respective undeployed commitments to such clients or in any other manner that the Adviser determines in its good faith discretion to be appropriate in light of any number of factors. In certain cases, Arctaris may determine that first-in first out or *pro rata* allocation of securities is not appropriate. Arctaris in these circumstances will make the allocation based on other factors that Arctaris deems appropriate, which may include, but are not limited to:

- Concentration (portfolio, issuer, geography, industry or asset class);
- The investment objectives, strategies, policies and restrictions of the client, as set forth in the client's governing documents;
- Risk guidelines and tolerances;
- Portfolio concentration considerations in terms of investment, issuer, sub-sector or asset class; investment time horizon;
- Remaining client life (investment period);
- Investment time frames;
- First Loss Capital, timing constraints imposed by the Opportunity Zone Provisions;

- Available capital; and/or
- Tax or regulatory considerations or risk profiles.

Item 13 - Review of Accounts

The Funds' portfolios are continuously reviewed by the Investment Committee, Portfolio Management Committee and other members of the investment team. The Investment Committee generally formally meets on a twice weekly basis and holds portfolio management meetings twice monthly. Arctaris' investment personnel also hold ad hoc meetings, as necessary, to discuss any applicable topics such as exposures, investment ideas, economic developments, current events, investment strategies, and investments.

Investors in the Funds generally receive written quarterly reports from Arctaris and quarterly investor statements from the Funds' administrator. Investors also receive copies of audited financial statements for relevant Funds on an annual basis and tax estimates and a Schedule K-1 on an annual basis, depending on the Fund.

Item 14 - Client Referrals and Other Compensation

Arctaris has arrangements whereby Arctaris directly compensates third-party consultants with a finder's fee. Arctaris has also engaged certain placement agents who will receive compensation either as a Fund or Adviser expense (as disclosed in a Fund's operative documents) for the referral of qualifying prospective Investors to certain Funds.

Prospective Investors will be informed of any such arrangements.

Item 15 - Custody

In its role as general partner and/or investment manager, Arctaris (or an affiliate) is deemed to have custody of Fund assets. All securities, other than privately offered securities, as applicable, are held in custody at prime brokers or custodial banks, all of whom are qualified custodians, as that term is defined in the custody rule under the Advisers Act.

Any Fund that does not undergo an annual audit receives account statements at least quarterly from such qualified custodians. In addition, with respect to these Funds, Arctaris has entered into a written agreement with an independent public accountant to conduct an annual surprise verification examination, as required by the custody rule. With respect to certain of the Funds that are pooled investment vehicles, such Funds are subject to an annual audit by an accountant registered with and subject to inspection by the PCAOB. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each Investor within 120 days after the respective Fund's fiscal year end.

Bank Deposits and Treasury Management Arctaris has processes intended to identify risks related to deposits and investments with financial institutions, banks, and money market investments. This includes both Fund investment positions, as well as portfolio company exposure. Recent crisis in the banking industry presents risks for the Funds and Arctaris is taking reasonable and prudent steps to actively monitor and manage this risk.

Item 16 - Investment Discretion

Arctaris provides investment advisory services on a discretionary basis to the Funds in a manner consistent with their investment objectives and restrictions, as set forth in the respective governing documents of the Funds.

Arctaris has investment discretion over the Funds and the authority to determine (a) the instruments and securities to be purchased and sold (subject to restrictions on its activities set forth in the governing documents), (b) the amount of instruments and securities to be purchased or sold, (c) the Broker-Dealer used for any transaction, as applicable, and (d) the commission rates charged for the transactions, as applicable.

Item 17 - Voting Client Securities

The Funds do not normally invest in securities that carry proxy voting rights. Should Arctaris become aware of a proxy vote when a Fund is invested in a public security, Arctaris will seek to vote such proxy in the best interest of such Fund.

A copy of Arctaris' proxy voting policies and procedures is available to Investors by contacting the Chief Compliance Officer at the address or phone number found on the cover page of this Brochure.

Item 18 - Financial Information

Arctaris has never filed for bankruptcy.

The Adviser and certain of its underlying portfolio companies have participated in the Paycheck Protection Program (“PPP”) loan program through the U.S. Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 pandemic.

The PPP loan program is designed to provide a direct financial incentive for a small business to keep its employees on the payroll. In order to receive a PPP loan, the small business must certify that the current economic uncertainty makes this PPP loan request necessary to support its ongoing operations. For additional details about the PPP loan program, please visit <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

In April of 2020, Arctaris (and its relying advisers) received PPP loans in an amount totaling \$306,300. These PPP loans have a 1% fixed interest rate and must be repaid within 2-5 years. To date, \$200,000 of the PPP loans have been repaid. The PPP loans did not require any collateral nor a personal guarantee. The U.S. Small Business Administration will forgive the Adviser’s repayment of such PPP loans (or a portion of the PPP loans depending upon the circumstances) if all employees are kept on the payroll for eight weeks and the proceeds are used for payroll expenses, rent, mortgage interest, or utilities.

Bank Deposits and Treasury Management Arctaris has processes intended to identify risks related to deposits and investments with financial institutions, banks, and money market investments. This includes both Fund investment positions, as well as portfolio company exposure. Recent crisis in the banking industry presents risks for the Funds and Arctaris is taking reasonable and prudent steps to actively monitor and manage this risk.

We are not aware of any other financial condition that is reasonably likely to impair Arctaris’s ability to meet contractual obligations to our clients.