

## **Part 2A of Form ADV**

### **Firm Brochure**

**December 19, 2023**

### **Triangle Investment Management, LLC**

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This brochure provides information about the qualifications and business practices of Triangle Investment Management, LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (646) 346-8876 or [jaryeh@trianglecap.com](mailto:jaryeh@trianglecap.com). This information 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 the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not imply a certain level of skill or training.

**Item 2. Material Changes**

This is the initial filing of the Form ADV Part 2A for the Adviser, and as such, there are no material changes to report.

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#### **Item 4. Advisory Business**

The Adviser is an investment adviser with its principal place of business in New York, New York. The general partner of the Adviser is Triangle Strategic Opportunities GP, LLC. The Adviser is owned by Morris Doueck, Michael Pinewski, David Azar, and Victor Azrak. The Adviser expects to commence operations as an investment adviser in January 2024. As a result, certain responses contained herein are based on the Adviser's expectations with respect to its investment advisory business.

The Adviser expects to provide discretionary advisory services to one or more privately offered pooled investment vehicles (the "Funds"). Investors in the Funds are referred to herein as the "Fund Investors."

The Adviser's investment advisory services are subject to the terms of each Fund's offering documents ("Offering documents"). The Adviser does not tailor its advisory services to the individual needs of clients. The Adviser does not participate in Wrap Fee Programs.

The Adviser does not currently manage any client assets. In accordance with Rule 203A-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Adviser anticipates that it will amend this brochure within 120 days of registration to indicate that it has met the client assets under management eligibility requirements for registration with the SEC.

#### **Item 5. Fees and Compensation**

The fees applicable to the Funds are set forth in detail in the Offering Documents. A general summary of the fees charged by the Adviser is provided below.

##### **Management Fee**

The Adviser or an affiliate of the Adviser (the "General Partner") will be paid an asset-based investment management fee of 2% per year based on the value of each Fund Investor's capital commitment or unreturned capital contributions (the "Management Fee"). Any payment of the Management Fee in respect of a period less than a quarter of a fiscal year will be prorated based on the actual number of days in such period. The General Partner may reduce the Management Fee with respect to certain Fund Investors and may reduce or eliminate the Management Fee with respect to certain affiliates, their employees, and such employees' affiliates.

##### **Performance-Based Compensation**

The Adviser, or the General Partner, will be entitled to performance-based compensation (the "Performance Fee") of 30% of capital gains on or capital appreciation of the invested assets of the Funds after the Funds have achieved a minimum per-annum return hurdle. The General Partner may reduce the Performance Fee with respect to certain Fund Investors and may reduce or eliminate the Carried Interest with respect to certain affiliates, their employees, and such employees' affiliates.

## **Other Types of Fees and Expenses**

In addition to paying the investment management fees and performance-based compensation described in the Offering Documents, the Funds will also be subject to other investment expenses in accordance with each Fund's Offering Documents. A Fund will generally bear all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries and intermediate entities') activities, which generally include, but are not limited to, the following: organizational and start-up expenses, including all legal, accounting, printing, travel (provided that, all air travel expenses will be reimbursed at no higher than first-class commercial rates), filing and other expenses reasonably incurred by the Fund, the General Partner or affiliates of the General Partner or other persons authorized to act on behalf of the Fund.

In addition, the Fund will be responsible for all costs and expenses related to the Fund's operations (whether conducted directly or indirectly through its subsidiaries), including, without limitation (a) legal expenses (including attorney's fees), (b) the Management Fee, and all third-party fees and expenses of custodians, transfer agents, trustees, third-party administrators (including fees and expenses associated with the Fund's third-party administrator and administration, tracking or reporting software), paying agents, corporate agents, auditors, appraisers, and valuation firms and other costs for the conduct of fair market valuations, tax advisors, consulting (including consulting and retainer fees and other compensation paid to third-party consultants performing investment initiatives and other similar third-party consultants) and similar service providers, (c) expenses associated with making distributions (including distributions of marketable securities), and (d) accounting expenses and expenses associated with audits (including the costs of independent auditor services, costs to conduct independent mock exams and/or gap analysis, and third party vendor price quotations, as well as any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed)) or the preparation of the financial statements and tax returns and the filing of various tax withholding forms and treaty forms on behalf of the Fund (whether conducted directly or indirectly through its subsidiaries).

In certain circumstances, the Adviser expects to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Adviser's related policies and the relevant governing documents and/or side letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Please see Item 16-Investment Discretion for disclosures regarding the allocation of co-investments

The allocation of expenses by the Adviser between it and a Fund and among Funds represents a conflict of interest for the Adviser. The Adviser will adopt an expense allocation policy that is designed to address this conflict. The Adviser will allocate expenses to each Fund in accordance with the Fund's Offering Documents. The Adviser will seek to allocate any shared expenses for products and services benefitting multiple Funds or both the Adviser and a Fund, and not covered in the Fund's Offering Documents, in a fair and reasonable manner.

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

The Adviser and its investment personnel expects to provide investment management services to multiple Funds. The Adviser, or an affiliate of the Adviser, will be entitled to be paid performance-based compensation by the Funds. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, certain Funds may have higher asset-based fees or more favorable performance-based compensation arrangements than other Funds or have asset-based fees or performance-based compensation arrangements providing for payment to the Adviser at different times or over different time intervals. When the Adviser and its investment personnel manage more than one Fund a potential exists for one Fund to be favored over another Fund. The Adviser and its investment personnel will have a greater incentive to favor Funds that pay the Adviser (and indirectly its investment personnel) higher fees, performance-based compensation, or compensation that is paid at different times or over different time intervals.

The management of multiple Funds creates a conflict of interest because the Adviser may have an incentive to favor on Fund over another. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities.

## **Item 7. Types of Clients**

Currently, the Adviser has no clients. However, the Adviser anticipates that its clients will consist of the Funds. Any minimum investment amount with respect to a Fund is disclosed in the Fund's Offering Documents.

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

### **A. Methods of Analysis and Investment Strategies.**

The Adviser's investment objective and strategy on behalf of the Funds will be to find opportunities in the commercial real estate space by investing in such instruments as: commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO's), rake bonds, mortgage loans, mezzanine loans, corporate debt, and REIT securities.

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations.

**Buy and Hold.** The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

**Credit.** The Adviser engages in a long and/or short credit strategy. Client accounts generally invest in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations.

**Fundamental Value.** The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

**Hedging.** The Adviser utilizes a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for profit and/or risk management purposes.

**Leverage.** The Adviser's investment program may utilize leverage which includes the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

**Relative Value.** The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

These methods, strategies and investments involve risk of loss to the Funds and the Fund Investors. Fund Investors must be prepared to bear the loss of their entire investment.

## **B. Material Risks (Including Significant, or Unusual Risks)**

The following summary identifies general investment risk and material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. There is no assurance that investments will achieve its investment or performance objectives, including, without limitation, the number or the location of suitable investment opportunities and any targeted rate of return. Investors in a Fund may lose some or all of their invested capital, and prospective investors should not subscribe unless they can readily bear the consequence of such loss. There can be no assurance a Fund will achieve their investment objectives and a loss of investment is possible.

**General Economic Conditions.** The success of the Adviser's investment activities will be affected by general economic and market conditions. No assurances can be given that the value of any assets acquired by the Funds will not decrease in the future. Specifically, the Funds' investment activities will be affected by the systemic impact of inflation, job availability, the availability and cost of credit, declines in the real estate market, and geopolitical issues. Current global market and economic conditions have improved from the unprecedented decline of global economies experienced during the period from 2008 to 2012. Concerns still exist, however, regarding the systemic impact of global and domestic economic events, ranging from geopolitical issues that may contribute to increased market volatility and uncertain expectations for the global economy to interest rate increases in the United States, which may reduce the availability of financing. At the present time, the markets are highly volatile and governments throughout the world, including the United States, continue to carry a significant amount of debt. To the extent there is turmoil in the financial markets, it has the potential to materially affect the value of the Funds' debt and equity investments, in the case of the Funds' debt investments, the underlying borrowers' ability to make principal and interest payments on the applicable loans, the availability or the terms of financing that the Funds has or may anticipate utilizing, and the Funds' ability to

make principal and interest payments on, or refinance, any outstanding debt of the Funds when due. Any additional, continued or recurring disruptions in the capital and credit markets may adversely affect the Funds' financial condition, results of operations, cash flow and ability to make distributions to Fund Investors.

In the case of the Funds' debt investments, the ability of the Funds' borrowers to operate their properties will be driven in significant part by economic conditions in the United States, which will fluctuate with local and national economic conditions, such as job availability, interest rates and inflation rates. Other risks for all investments include loss of underlying assets due to force majeure events, global pandemics, terrorist attacks or other destructive forces, credit market disruptions, the U.S. National Deficit, acts of the U.S. Congress or other political bodies, rising energy prices or any other factors that affect the value of real estate.

Military action abroad and future possible terrorist attacks could adversely affect a Fund's performance and an investment in the Fund. Military actions around the globe, the threat or occurrence of terrorist attacks in the future, rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof), and the United States' military, economic and political responses to terrorism all may have material consequences on the U.S. and global economies. The Adviser is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events may have on investment objectives or the regional markets where a Fund's underlying investments will be located.

**Inflation.** The rate of inflation has materially increased over the last year and may continue to increase in the future. Inflation and rapid fluctuations in inflation rates have in the past had, and may in the future have, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to rise at rates higher than those anticipated in underwriting a Fund's investments, the effective rate of return on such investments may be reduced. For example, there may be instances where other revenues related to such investments may be fixed by contract for meaningful periods of time whereas related expenses may not be. As a result, an unexpected rise in the rate of inflation could have a material and adverse impact on a Fund and its investments.

**Leverage.** The Adviser's investment strategy typically assumes leverage in making investments. The ability to access debt capital on favorable terms, or at all, is dependent upon a number of factors, including general market conditions. Because the Adviser intends to utilize a leveraged capital structure, a third party would be entitled to cash flow generated by such investments prior to Fund receiving a return. While such leverage may increase returns or the funds available for investment by a Fund, it also will increase the risk of loss on a leveraged investment.

**Financial Institution Risk; Distress Events.** An investment in a Fund is subject to the risk that banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon



Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Adviser, the General Partner, the Fund and/or its underlying borrowers may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although recent governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the General Partner to manage a Fund and its investments, and on the ability of the Adviser, the General Partner and/or its underlying borrowers to maintain operations, which in each case could result in significant losses and unconsummated investments. Such losses have the potential to include a Fund to pay fees and expenses in the event a Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of the underlying borrower’s to acquire or dispose of investments at prices that reflect the fair value of such investments and maintain operations which, in turn, could impact a Fund’s ability to consummate loans or receive timely payment under existing loans. Although the General Partner expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

**Lack of Diversification; Concentration of Risk.** The Funds will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Fund portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

**Dependence on Key Personnel.** The success of a Fund also depends in substantial part upon the skill and expertise of the Adviser’s principals, other members of the Adviser’s management team, and others providing investment advice or other services with respect to a Fund. Should one or more of these individuals become incapacitated or in some other way cease to be associated with the Adviser or participate in a Fund, the performance of a Fund could be materially adversely affected. In particular, the loss of services from key members of senior management or a limitation on their availability could adversely impact a Fund’s financial condition, results of operations, cash flow, and the value of its Interests. In addition, although the Adviser believes that these individuals have considerable expertise in the relevant sectors, there are no means of predicting whether they will successfully implement a Fund’s investment strategy, especially during changing economic conditions.

**C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).**

**Investment in Real Estate Generally.** The Adviser intends to make debt and equity investments in real estate. Accordingly, these investments are subject to the risks incident to the ownership of real estate and, to the extent the investments are leveraged, the risks incident to borrowing funds, including risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions and costs, the financial condition of borrowers, tenants, buyers, and sellers of properties, supply of or demand for competing properties in an area, technological innovations that dramatically alter space and demand requirements, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks, government regulations, environmental laws and regulations, zoning laws, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, changes in the relative popularity of property types and locations, risks due to dependence on cash flow, contingent or unknown liabilities, covenants in debt agreements, and risks and operating problems arising out of the presence of certain construction materials, force majeure, acts of war (declared and undeclared), terrorist acts, strikes, and other factors which are beyond the control of the Adviser. Furthermore, there can be no assurance there will be tenants for any of the properties.

**Costs of Operating Real Estate Investments.** The cost of operating a property, including providing for capital improvements, may exceed the property's rental income and operating resources, and a Fund may have to advance funds to protect an equity investment or may be required to dispose of investments on disadvantageous terms if necessary to raise needed funds. Certain expenditures associated with real estate equity investments, such as property taxes, utility costs, debt service, maintenance costs and insurance, tend to increase and generally do not decrease as a result of events adversely affecting rental revenues. Moreover, while the Adviser generally intends for a Fund to purchase insurance to cover casualty losses and general liability, such insurance may not be available, may be available only at prohibitive costs or may be insufficient to cover losses from ongoing operations and other risks such as earthquake, flood or environmental contamination.

**Real Estate Illiquidity.** Real estate equity investments are relatively illiquid. The ability of the Adviser to vary or dispose of its investments in response to changes in economic and other conditions will be limited. No assurances can be given that the fair market value of any real property acquired by a Fund will not decrease in the future or that a Fund will recognize full value for any property that a Fund is required to sell for liquidity reasons. A Fund may not be able to dispose of properties on timeframes with respect to which it desires to do so, or at all.

**Potential Inability to Complete Divestitures on Advantageous Terms.** A Fund will divest properties when the Adviser believes it is the appropriate time to sell a property or when the Adviser determines that a property no longer meets a Fund's strategic objectives, provided that the Adviser can negotiate acceptable terms and conditions for the divestiture. A Fund's ability to dispose of properties on advantageous terms depends on factors beyond its control, including competition from other sellers, and the availability of attractive financing for potential buyers of the properties. If a Fund is unable to dispose of properties on favorable terms, then its financial

condition, results of operations, cash flow, and ability to make distributions to investors could be adversely affected.

**Commercial Mortgage-Backed Securities.** The investment characteristics of commercial mortgage backed securities (“CMBS”) differ from traditional debt securities in a number of respects, and are similar to the characteristics of structured credit products in which investors participate through a trust or other similar conduit arrangement. The collateral underlying CMBS generally consists of commercial mortgages or real property that have a commercial use, such as retail space, office buildings, warehouse property and hotels. As a result, investments in CMBS are subject to the risks of commercial mortgage loans, such as delinquency, foreclosure and loss, and the risk of the real estate market more generally. Commercial mortgages underlying CMBS generally have shorter maturities than residential mortgages, allow all or a substantial portion of the loan balance to be paid at maturity, commonly known as a “balloon payment,” and are usually non-recourse against the commercial borrower. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a commercial loan will be affected by a commercial borrower’s access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired.

Additionally, CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. In general, losses on a mortgaged property securing a mortgage loan included in a securitization will be borne first by the more junior holders and then by the holder of a higher-rated security. As a result, the Funds’ right to receive payments of interest or to receive payments will be subordinate to other more senior classes of CMBS and the rights of certain third parties to be reimbursed for certain expenses, and related payments to the Funds will be made only to the extent funds held by the underlying trust are sufficient to make such payments on such date. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit, mezzanine loans or B-Notes, and any classes of securities junior to those in which the Funds invest, the Funds will not be able to recover all of its investment in the securities it purchases. There is no guarantee that investments in CMBS will yield their desired results or projected returns, and there can be no assurance that the Fund will be able to effectively achieve its investment objective and the Funds’ investment in CMBS are subject to the risk of losses.

**Risk of Private Debt Investments.** Private debt investments involve a high degree of financial risk. There can be no assurance that investments by a Fund will be profitable or that substantial losses will not occur. The real estate projects and loans in which a Fund invests are often dependent on the skills of a small number of executives and are vulnerable to changes in technology, fluctuations in demand for their products, changing interest rates and other factors. There can also be no assurance that a Fund will be repaid, be able to sell or otherwise liquidate its investments at the optimal time or price. Therefore, there can be no assurance that the rate of return objectives of a Fund will be realized or that there will be any return of capital to Fund Investors.

Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that a borrower will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of a borrower are the primary factors influencing credit risk. In addition,

lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities and other debt instruments which are rated by rating agencies are often reviewed and may be subject to downgrade.

**Non-Recourse Obligations.** The Adviser may invest in certain loans that are non-recourse obligations of the borrowers. Such loans are payable solely from proceeds collected in respect of the underlying properties by a borrower to secure such obligations. None of the security holders, officers, directors or incorporators of the borrowers, any of their respective affiliates or any other person or entity will be obligated to make payments on the loans. Consequently, a Fund, as holder of the obligations, must rely solely on distributions of proceeds from the underlying properties to secure obligations for payments due in respect of principal thereof and interest thereon. If distributions of such proceeds are insufficient to make payments on the loans, no other assets will be available for such payments and following liquidation of the underlying properties, the obligations of the borrowers to make such payments will be extinguished.

**Loan Origination Regulation.** The Adviser intends to engage in originating and lending, and may therefore be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements and other regulatory requirements in the conduct of its business as they pertain to such transactions. A Fund may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau and other applicable regulatory authorities. These state and federal regulatory programs are designed to protect borrowers.

**Underperforming and Distressed Assets.** Investments in underperforming or other distressed assets utilizing leveraged capital structures or purchase loans relating to investments. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that a Fund's return objectives will be realized or that there will be any return of capital. Furthermore, investments operating in workout modes or under Chapter 11 of the United States Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of a Fund's original investment. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to investors may be reclaimed if such payments or distributions are later determined to have been fraudulent conveyances or preferential payments. Numerous other risks also arise in the workout and bankruptcy contexts.

**Loan Repayment Income.** Investment income may be derived from repayments of principal received in respect of loans. A wide range of factors may adversely affect a borrower's ability to make repayments, including: adverse changes in the financial condition of such borrower or the underlying property; the possible inability to renew leases or relet space as leases expire at the underlying property; the possible need to make significant expenditures to retain and attract tenants; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest, civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns.

Any defaults will have a negative impact on the value of investments and may reduce the return that otherwise would have been received from investments in certain circumstances. While some amount of annual defaults is expected to occur in a Fund's portfolio, defaults in or declines in the

value of investments in excess of these expected amounts may result in breaches of covenants under financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of a Fund.

**Rising Interest Rates.** Loans may bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related borrowers will also increase. As prevailing interest rates increase, some borrowers may not be able to make the increased interest payments on portfolio loans or refinance their balloon portfolio loans, resulting in payment defaults. Any payment default of a borrower under a loan will also have an adverse effect on its value and/or rating for purposes of various tests and triggers under any related financing agreement which could result in a borrowing base deficiency, other valuation deficiency, overcollateralization, interest coverage or revaluation trigger, default, event of default, potential termination event or termination event (a “Financing Event”) which, if not cured or permitted to be cured, could have a material adverse effect on a Fund, and could result in losses and/or reduced returns to a Fund and Fund Investors. Conversely, if interest rates decline, borrowers may refinance their loans at lower interest rates which could shorten the average life thereof and reduce a Fund’s expected returns with respect thereto, particularly if a Fund is not then able to directly or indirectly invest in other loans with an equal or greater interest rate and average life. Any bankruptcy or insolvency of a borrower under a loan will also have an adverse effect on its value and/or rating for purposes of various tests and triggers under any related financing agreement which could result in a Financing Event which, if not cured or permitted to be cured, could have a material adverse effect on a Fund and could result in losses and/or reduced returns to a Fund and a Fund Investors.

**Credit Risk; Collateral.** One of the risks associated with debt investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations when due. The returns to Fund Investors would be adversely impacted if a borrower to which a Fund lends becomes unable to make such payments when due.

Although a Fund generally seeks to make loans that the Adviser believes are secured by specific collateral and which, if securing first priority liens, generally cannot be pledged, lent, re-hypothecated or otherwise re-used by the borrower, the value of which may initially exceed the principal amount of such loans, there can be no assurance that the liquidation of any such collateral would satisfy the borrower’s obligation in the event of non-payment of scheduled interest or principal payments with respect to such loans, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, a Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a loan.

**Bankruptcy Considerations.** A Fund may hold investments in borrowers that are experiencing, or are expected to experience, severe financial difficulties, which may never be overcome and may lead to uncertain outcomes. The bankruptcy courts of the various jurisdictions in which any such borrower may file bankruptcy would have broad discretion to control the terms of a reorganization, and political factors may be of significant importance in high profile bankruptcies or bankruptcies in particular jurisdictions.

There are a number of significant risks inherent in the bankruptcy process. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court, in the exercise of its broad powers, would not approve actions that would be contrary to the interests of a Fund. For example, in order to protect net operating losses of a borrower in bankruptcy, a bankruptcy court might take any number of actions, including prohibiting or limiting the transfer of claims held by certain classes of creditors. Such a prohibition could have a material adverse effect on the value of certain investments made by a Fund. For example, a Fund might be prohibited from liquidating investments which are declining in value.

In addition, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a borrower may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to a Fund Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy or other insolvency laws. Furthermore, investments may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability or the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

#### **D. Additional Risks Relating to the Adviser**

**Cybersecurity and Identity Theft.** The Adviser generally relies on information technology systems for current and planned operations. Information and technology systems of the Adviser may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect investment results and its ability to make distributions to Fund Investors. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's reputation, subject them and their respective affiliates to legal claims and otherwise affect its business and financial performance.

**Business Disruption.** The Adviser's business is vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures. The extent of development and other operational delays, increased costs (including potential financing penalties as a result of delays), and losses in operating income in connection with such events will be a function of the severity of the event, the nature and scope of governmental responses to such event, the impact of the event on the workforce relied upon by a Fund and its investments, and the total amount of

exposure in the affected area. To the extent investments are geographically concentrated, it is possible that a regional epidemic or force majeure event particularly affecting such geographic region will have a materially adverse effect on a Fund's financial condition and business operations. Further, to the extent investments are specifically affected by or exposed to (or perceived to be affected by or exposed to) the occurrence of a contagious disease or illness, it is possible that this will adversely impact operating income for investment properties and/or the borrower's assets, which may in turn impact the ability of such borrowers to make timely payments, if at all, on their loans. Although the Adviser will maintain customary business interruption insurance to cover income losses as a result of unanticipated business disruptions, it is possible that such policies exclude disruptions as a result of contagious diseases or other health crises. In addition, pandemics, epidemics and other human health crises could have negative impacts on investments outside of the areas directly affected. To the extent that a disruptive health event adversely impacts travel and personnel movement, workforce availability and efficiency, and global manufacturing and supply chains, such an event could have a significant adverse effect on a Fund's borrowers in jurisdictions not otherwise directly affected. Any decrease in the operating income of the borrowers may impact their ability to make timely payments, if at all, on their loans, which may reduce amounts available to be distributed from such investments and decrease overall returns to investors.

**Public Health Emergencies.** Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Fund and its investments and could adversely affect a Fund's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a Fund's and its investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

The effects of a public health emergency may materially and adversely impact the value and performance of a Fund's investments, a Fund's ability to source, manage and divest investments and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund. In addition, the operations of Fund, its investments and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. There can be no assurance on the continuing effects of COVID-19 on the economy generally or its effect on a Fund and its ability to achieve its investment objectives.

**Risk Management Failures.** Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of

Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

**Systems and Operational Risk.** The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

#### **Item 9. Disciplinary Information**

This Item is not applicable.

#### **Item 10. Other Financial Industry Activities and Affiliations**

This Item is not applicable.

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

**A. Code of Ethics.** The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser to put the interests of the Adviser's clients before its own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Adviser's policies and procedures, all of the Adviser's personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting the Adviser's Chief Compliance Officer by email at [jaryeh@trianglecap.com](mailto:jaryeh@trianglecap.com), or by telephone at (646) 346-8876.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic



information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, the Adviser or its supervised person invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a supervised person recommends to clients. The Adviser or its supervised person may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its supervised person are in a position to trade in a manner that could adversely affect the Adviser's clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its supervised person's objectivity, these practices by the Adviser or its supervised person may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts. The Adviser requires its supervised person to preclear all transactions, including transactions in certain limited offerings and initial public offerings, in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. In addition, the Adviser's Code prohibits the Adviser or its supervised person from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's supervised person are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's supervised person are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's supervised person are also required to provide monthly or quarterly personal account brokerage statements. Trading in the personal accounts of the Adviser's supervised person is reviewed by the Chief Compliance Officer.

In order to seek to avoid the conflicts stemming from situations where the Adviser or a related person buys or sells securities for client accounts at or about the same time that the Adviser or a related person buys or sells the same security for its own account, the Adviser has adopted the restrictions on personal trading described above.

## **Item 12. Brokerage Practices**

**A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.** The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to stability, the actual executed price and the commission, research (including but not limited to economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the

operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Head Trader and Chief Investment Officer will meet periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

**1. Research and Other Soft Dollar Benefits.** The Adviser does not expect to receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions, which are referred to as soft dollar benefits.

**2. Brokerage for Client Referrals.** In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives client referrals from a broker-dealer or third party. The Adviser may have an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the client's interests to receive most favorable execution. To address this conflict of interest, the Adviser will execute client trades through broker-dealers that refer clients to the Adviser only if it is determined by the Chief Compliance Officer of the Adviser that client trades with such broker-dealers are otherwise consistent with seeking best execution.

The Adviser anticipates purchasing or selling the same security for more than one client at or near the same time and using the same executing broker. It is the Adviser's practice, where appropriate, to aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction.

### **Item 13. Review of Accounts**

Each Fund is reviewed by the managers of the Adviser on an ongoing basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed may include specific securities held, adherence to investment guidelines and the performance of each Fund. Significant market events affecting the prices of one or more securities in a Fund; changes in the investment objectives or guidelines of a particular Fund may trigger reviews on other than a periodic basis. Each Fund Investor will receive account reports in accordance with the Fund's Offering Documents.

### **Item 14. Client Referrals and Other Compensation**

This Item is not applicable.

## **Item 15. Custody**

The Adviser and its affiliate are expected to have custody of Fund assets and intend to comply with Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act by meeting the conditions of the pooled investment vehicle annual audit exception of the Custody Rule.

## **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to the Funds. Prior to assuming full discretion in managing a Fund’s assets, the Adviser enters into an investment management agreement that sets forth the scope of the Adviser’s discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine the (i) securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines); and (ii) amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser’s managers submit an allocation statement to the Adviser’s trading desk describing the allocation of securities to (or from) client accounts for each trade/order submitted. The managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client’s portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser’s policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the managers to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser’s error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position

they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

The Adviser may provide certain clients or investors with the opportunity to co-invest in certain investments to which the Adviser has access. Participation in such opportunities may be limited to a select number of clients or investors based on the Adviser's consideration of factors, including but not limited to: (i) whether the potential co-investor has expressed an interest in participating in co-investment opportunities; (ii) the Adviser's evaluation of the potential co-investor's size and financial resources; (iii) the ability of the potential co-investor to expeditiously participate in the investment opportunity without harming or otherwise prejudicing the other clients participating; (iv) the Adviser's perception of whether the investment opportunity may subject the potential co-investor to legal, regulatory or other burdens that make it less likely that the potential co-investor would accept the investment opportunity; (v) whether the Adviser believes that allocating the investment opportunity to a potential co-investor will help establish, recognize or strengthen relationships that may provide indirectly longer-term benefits to current or future clients or to the Adviser; (vi) any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investor with specific information regarding an investment opportunity in order to allow it to evaluate the opportunity; and (vii) other factors deemed relevant by the Adviser. Co-investment opportunities may not be available to any or all Fund Investors.

#### **Item 17. Voting Client Securities**

Given the Adviser's investment strategy, the Adviser is generally not required to vote proxies on behalf of its clients. To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser will comply with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

#### **Item 18. Financial Information**

This Item is not applicable.