



Item 1 - Cover Page

Reef Investment Management LLC

2600 N Ashton Blvd., Suite 200

Lehi, UT 84043

(801) 216-8850

www.reefim.com

October 2023

This Brochure provides information about the qualifications and business practices of Reef Investment Management LLC ("RIM", "us", "we", "our"). If you have any questions about the contents of this brochure, please contact us at (801) 216 - 8850. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. RIM's IARD firm number is 309186.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about RIM is also available on the SEC's website at www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name). The results will provide you with access to both Parts 1 and 2 of our Form ADV.

Item 2 - Material Changes

The only update since our last annual filing of our Form ADV Part 2 (“Disclosure Brochure”) dated December 2022 is the disclosure related to the master-feeder arrangement, and a new affiliate which has been updated throughout this Disclosure Brochure. Various clarifications were also made throughout this Disclosure Brochure.

In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.

When an update is made to this Disclosure Brochure, we will send you a copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form]. You may contact our Chief Compliance Officer, Kyle Hutchins at 801.216.8850 or via email at Kyle@ReefIM.com.

Item 3 - Table of Contents

| | |
|---|----|
| Item 1 - Cover Page | |
| Item 2 - Material Changes | i |
| Item 3 - Table of Contents | ii |
| Item 4 - Advisory Business | 3 |
| Item 5 - Fees and Compensation | 5 |
| Item 6 - Performance-Based Fees and Side-By-Side Management..... | 7 |
| Item 7 - Types of Clients | 8 |
| Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss | 9 |
| Item 9 - Disciplinary Information | 13 |
| Item 10 - Other Financial Industry Activities and Affiliations | 14 |
| Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 17 |
| Item 12 - Brokerage Practices | 20 |
| Item 13 - Review of Accounts | 21 |
| Item 14 - Client Referrals and Other Compensation | 22 |
| Item 15 - Custody | 23 |
| Item 16 - Investment Discretion | 24 |
| Item 17 - Voting Client Securities (i.e., Proxy Voting) | 25 |
| Item 18 - Financial Information | 26 |

Item 4 - Advisory Business

Our Firm & Ownership

Reef Investment Management LLC (“RIM”) (formerly known as Select Fund Advisors LLC) is a limited liability company organized under the laws of the State of Delaware on May 20, 2019. RIM, a private fund advisor that acts as the investment manager for multiple privately offered funds is a wholly owned subsidiary of Reef Capital Management LLC, which is wholly owned by Reef Capital Partners LLC (“RCP”). RCP and its subsidiaries specialize in private credit and private equity transactions primarily in real estate and real estate-related assets. RCP is 48% owned by Common Investment Fund LLC (“CIF”). There are no other individuals or entities that own more than 25% of RCP and CIF.

Advisory Services Offered

RIM provides investment advice and related investment management services to private pooled investment vehicles which are offered to investors on a private placement basis by each respective sponsor or general partner (each, a “Fund” and collectively, the “Funds”). RIM’s advice with respect to the Funds is, and will be, made in accordance with the investment objectives and guidelines as set forth in the respective Fund’s Offering Documents.

Investment Funds

RIM specializes in investment advice related to investing in, purchasing, selling, financing and managing asset-backed loans secured by real property or other assets, as well as private equity real estate “PERE” investments. Affiliates of RIM service the loans, manage development activities, assist in managing any loan defaults or property foreclosures, and liquidating collateral, as necessary. As further described in Item 8, RIM conducts due diligence on each advised-Fund transaction by analyzing real estate, geographic, demographic and economic data from targeted business-friendly or lender-friendly areas across the U.S. with the aim of identifying transactions with the best risk-adjusted returns. RIM reviews models that are used to set loan selection criteria for loans collateralized by different asset types, with the objective of maximizing return while preserving capital and mitigating risk. Most PERE investments will be LLC or partnership interests owned by a broad investment group that includes one or more Funds. Debt transactions will be syndicated loan interests evidenced by a promissory note secured by a fractionalized deed of trust.

RIM provides investment advice and related investment management services to the following pooled investment vehicles (“Funds”), each organized as Delaware limited

partnerships and limited liability company: (i) Reef Capital Partners LLC, the master-feeder fund; (ii) Reef Preferred QP Fund LP, the feeder fund; and (iii) REM Fund I, L.P.

RIM's advice with respect to the Funds is, and will be, made in accordance with the investment objectives and guidelines as set forth in the respective Fund's Offering Documents. Fund investors may not impose restrictions (except for agreements or "side letters" illustrated in the Private Placement Memorandum) on investing in certain securities or certain types of securities. However, RIM has the right to enter into agreements, such as side letters, with certain underlying investors of the Funds that may, in each case, provide for terms of investment that are more favorable than the terms provided to other underlying investors of the Funds.

This Disclosure Brochure provides only broad summaries of the information provided in the offering documents for the Funds. Investors should refer to the Fund's Offering Documents for definitive and more comprehensive information regarding a specific investment concept and the matters described in this Disclosure Brochure.

Each Fund's private placement memorandum (combined with applicable security agreement, and/or other agreements associated with an investment in a Fund) will describe the terms and conditions related to the specific purchase and sale of each investor's interest in the Fund in addition to disclosures related to the risks of investing in a Fund, among other things.

The Funds are offered to qualified investors in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, set forth in Section 4(2) of such act, and are not registered as an investment companies under, or otherwise subject to the provisions of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), either because the vehicles do not meet the definition of "investment company" or in reliance upon an exclusion from the definition of "investment company" provided in the Investment Company Act. Investment guidelines and objectives for the Fund are set forth in the Fund's Offering Documents.

Wrap Accounts

We currently do not participate in wrap fee programs.

Assets Under Management

As of September 30, 2023, RIM advises on \$303,131,769 of investment assets.

Item 5 - Fees and Compensation

The Funds offer interests or shares, as applicable, only to certain qualified investors and admission in the Funds is not open to the general public. Interests/Shares are sold only to qualified investors who are “accredited investors” under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as such term is defined in Section 2(a)(51) of the Investment Company, as amended. Each Fund’s Offering Documents contain a detailed description of the applicable Fund’s fee schedule.

Fixed Fee and Management Fee

Generally, RIM is compensated through contracted fixed fees (the “Fixed Fee”) or alternatively, a percentage of the respective Fund’s assets under management (the “Management Fee”). The Fixed Fee is typically payable quarterly in arrears, in the amount of \$45,000 (per calendar quarter). The Management Fee is typically payable quarterly in arrears. The Management Fee payable by a Limited Partner shall be equal to (A) the daily average of NAV of the Partnership attributable to the Units of such Limited Partner for the relevant calendar quarter multiplied by (B) one quarter percent (0.25%). In its sole discretion, RIM may change the terms and/or amount of the Fixed Fee or Management Fee for Limited Partners that are principals, employees or affiliates of RIM, relatives of such persons, and for certain large or strategic investors.

Valuation

The determination of the fair market value of any asset, interest in the Funds, and the amount of any liability, will be made either by RIM in good faith or by a professional valuation firm of RIM’s choice. Refer to the Funds’ Offering Documents for details on methods used to determine the value of the Funds’ assets and liabilities.

Payment of Fees

Fees and compensation paid or allocated to RIM by the Fund are generally deducted from the assets of such Funds at the times and in the manner discussed above.

Other Fees or Expenses

The Fund(s) will pay or reimburse RIM and its affiliates (to the extent actually paid by RIM or its affiliates) for, all fees, costs, and expenses incurred or paid on behalf of the Fund(s) relating to the formation, operation, dissolution, winding up, or termination of the Fund(s). RIM and its affiliates will not be reimbursed by the Fund(s) for the following expenses: (i) salaries, compensation or fringe benefits of the managers, officers or employees of RIM and its affiliates; (ii) overhead expenses of RIM and its affiliates, including, without limitation, rent and general office expenses; and (iii) the cost of providing any services or goods for which RIM or its affiliates are otherwise entitled to compensation.

The forgoing list is not all inclusive and only highlights primary Fund expenses. Fund Investors are directed to the applicable disclosures in the offering documents for a complete listing and description of the fees and expenses related to each specific Fund.

Redemptions/Withdrawals

Investors have very limited withdrawal rights, if any, and should carefully review the Funds' Offering Documents for specific Fund limitations.

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

RIM does not charge a performance or incentive fee. We do not simultaneously manage accounts that are charged a performance-based fee and accounts that are charged a fee only based on assets under management (referred to as “side-by-side” management).

Item 7 - Types of Clients

Investment Funds

As described in Item 4, RIM provides investment advice to private investment funds that typically qualify for the exemption from the definition of “investment company” under Section 3(c)(1), Section 3(c)(5) or Section 3(c)(7) of the Investment Company Act of 1940, as amended (“the ‘40 Act”) and offers interests to investors pursuant to Regulation D promulgated under the Securities Act of 1933, as amended (“the ‘33 Act”) and/or Regulation S under the ‘33 Act. The Private Funds have investor suitability criteria which are set forth in their respective offering documents and subscription application materials. Investors will be required to make certain representations when investing in a Private Fund, including but not limited to that: (i) they are acquiring interests for their own accounts; (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the applicable Private Fund.

In addition, the offering documents for each Fund will set minimum amounts for investment by prospective investors. We may modify or waive such minimum investment requirements from time to time; however, investors in any Fund must: be (i) "accredited investors"; (ii) "qualified purchasers" or eligible "knowledgeable employees" and (iii) meet other suitability requirements.

Each Fund’s stated minimum investment is described in the offering documents.

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

Methods of Analysis and Investment Strategy

We analyze historical performance data on a large population of loans and use multiple predictive factors to evaluate the likelihood of default for a given loan. The resulting models are used to set loan selection criteria for loans collateralized by different asset types.

RIM intends to build portfolios of Loans serviced by certain affiliates of the Fund or other experienced loan servicers specializing in private lending transactions, under our direction and oversight, with the objective to maximize return while preserving capital and mitigating risk.

RIM intends to leverage the experience and expertise of its affiliates (see Item 10) to service the loans, assist in managing any loan defaults or property foreclosures, and liquidating collateral, as necessary.

More specifically, the Funds' strategies will include the following: (i) engage, directly or indirectly, in the making of, the purchase of, or the sale of asset-based loans secured by real property or other assets, including, without limitation, water rights, mining claims, mineral rights, or other tangible assets, and majority equity interests in partnerships or limited liability companies holding real estate; (ii) directly or indirectly, own, develop, mortgage, encumber, hypothecate, lease, maintain, improve, alter, remodel, expand, manage, otherwise operate and deal with, and sell, exchange, transfer or otherwise dispose of any property that served as collateral for a Loan; and (iii) manage and direct the business operations and affairs of the Funds' subsidiaries (including the development, adoption and implementation of strategies, business plans and policies concerning the conduct of each subsidiary's businesses). As stated above, RIM expects that the Funds will participate with other lenders, including affiliates of RIM, in the making of most asset-backed loans.

The Funds' Offering Documents contain a complete description of the Funds' investment strategy.

Description of Principal Risks

An investment in one or more of the Funds is speculative and involves significant risks not associated with other investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity in this investment and can afford to lose the entirety of their investments. There can be no assurances or guarantees that (i) a Fund's investment objectives will prove successful, (ii) investors will not lose any portion or all of their investment in a Fund, or (iii) investors who invest directly in small business and consumer loans will not lose any portion or all of their investment.

You should consider the Funds as a supplement to an overall investment program and should only invest if you are willing to undertake the risks involved. In addition, investors who are subject to income tax should be aware that an investment in a Fund is likely (if the Fund is successful) to create taxable income or tax liabilities in excess of cash distributions to pay such liabilities. You should therefore bear in mind the risk factors before purchasing an interest in any Fund, or in small business and consumer loans directly. Any or all of such risks could materially and adversely affect investment performance, the value of any such investment or any security held in such investment and could cause investors to lose substantial amounts of money.

There are general risks (i.e., General Economic and Market Conditions), Operating Risks (i.e., Reliance on the General Partner management team, Conflicts of Interest), and Regulatory Risks (i.e., Absence of U.S. Regulatory Oversight). The risks also include, but are not limited to, non-diversification of the Fund's investments resulting from a limited number of loans, the unsecured nature of the Notes, limited transferability of the Notes, interest rate risk and the use of leverage. All of these and other important risks are outlined in detail in the Offering Documents for each Fund.

Legal and Regulatory Matters Risks

Legal developments which may adversely impact investing and investment-related activities can occur at any time. "Legal Developments" means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

System Failures and Reliance on Technology Risks

Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will

require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems' conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to direct investments for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

Cybersecurity Risk

A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers' and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

Pandemic Risks

The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. Pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in this offering. Potential investors should read the Offering Documents carefully in its entirety, and consult their own legal, tax and investment advisers before deciding whether to invest in any Fund.

Item 9 - Disciplinary Information

We are obligated to disclose any legal or disciplinary events that would materially impact a Fund Investor's or the Clients' evaluation of RIM or the integrity of our management. No such events have occurred at RIM.

Item 10 - Other Financial Industry Activities and Affiliations

Neither RIM, nor any of our management persons (except as disclosed below), are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

However, RIM is one entity within a diversified corporate organization controlled by RCP that includes entities whose businesses could cause a perceived or real conflict of interest. In the interest of full disclosure, and to limit any potential or real conflicts of interest, we have summarized below several of the related entities, who have a direct or indirect relationship with RIM or the Funds.

Reef Capital Partners LLC (“RCP”) (www.reefcp.com)

RCP and its subsidiaries specialize in private credit and private equity transactions primarily in real estate and real estate-related assets. RCP’s focus is attractive investment opportunities in distressed debt, high-yield senior loans, direct equity, and hybrid investments. Long Term Holding, Inc. is the general manager of RCP. RCP is the ultimate owner of RIM and the affiliated entities described below. RCP is the master-feeder and Reef Preferred QP Fund LP (“QP”) is the feeder-fund in a master-feeder arrangement. Reef Preferred QP Fund GP LLC (“QP GP”) is the general partner of the QP.

Reef Private Credit LLC (“RPC”) (www.reefpc.com)

RPC is a key service provider to RIM and has a fee sharing agreement with the Fund(s) (which is disclosed in detail in the Fund offering documents). RPC is a loan servicer, specializing in facilitating and servicing private lending transactions in commercial real estate. RPC services the transaction from the underwriting phase all the way through repayment, or in cases of distress, foreclosure, and liquidation.

Reef Private Equity LLC (“RPE”) (www.reefpe.com)

RPC may outsource special servicing responsibilities to RPE. RPE is a private equity real estate firm focused on commercial development and transaction management for commercial real estate projects located throughout the United States. RIM, through RPC will take advantage of its experience investing in and managing various types of real property investments.

Canyon Accounting LLC (“Canyon”) (www.canyonaccounting.com)

Canyon focuses on helping small, growing businesses primarily in the Real Estate and Energy industries and majority of its business focuses on small business tax preparation. Canyon provides administrative, bookkeeping, HR, and tax services to RIM and the Reef

family of companies and, also provides income tax preparation services to third parties including many of the entities managed by its sister companies.

Some of the principals of RIM are key executives of RCP or other affiliates and serve as officers of RIM or provide key services to the Funds and RIM. Such individuals will devote as much of their time to the activities of the Funds as it deems necessary and appropriate. These dual roles cause real or potential conflicts of interest as a particular individual's responsibilities with one form could conflict with their responsibilities to another affiliate. RIM addresses this conflict through the implementation of its compliance program, which includes ongoing monitoring to ensure that each Fund is invested in-line with its investment objectives.

In addition, Canyon performs certain administrator functions for Reef Capital Partners, LLC. It is important for investors in this Fund to note that the Administrator is not an independent third-party due to its common ownership with RIM. This relationship creates a potential conflict of interest as RIM has an incentive to utilize Canyon regardless of the quality of services it receives, and Canyon is incentivized to preference the interests of RIM. RIM addresses these conflicts by treating its affiliates as if they were third parties from a due diligence and expectation of services perspective. Furthermore, RIM believes that utilizing Canyon provides benefits to the Fund due to the common ownership and cross utilization of personnel.

Relationship with Other RIM Entities

Pursuant to certain agreements between the Funds (and/or a Controlled Affiliate thereof) and RIM and its affiliates (including RCP, QP GP, RPC, RPE, and Canyon) (the "RIM Agreements"), RIM or its affiliates provide services to certain Funds with respect to: (i) sourcing investment opportunities, underwriting, and managing the purchase process for investments; (ii) servicing or overseeing the servicing of certain of the loans in such Funds' portfolios; (iii) providing loss mitigation services, foreclosure services and bankruptcy services to subservicers with respect to mortgage loans owned by Funds; and/or (iv) providing loan origination services, third-party origination services and information technologies services including, without limitation, services relating to various sales functions in connection with sourcing eligible third party originated loans, loan underwriting and loan processing, capital market activities, credit policy and lender management, new loan set-up and other support functions. Such Funds will pay acquisition fees, servicing fees, component fees, origination fees, and other fees associated with the procurement, management, or liquidation of certain loans, in respect of such services. The foregoing fees are in addition to and will not offset management fees or performance compensation paid or allocated to RIM. The foregoing fees are described more fully in the Confidential Private Placement Memorandum of each Fund to which such fees apply.

The RIM Agreements have been negotiated between related parties and their terms, including fees payable, may not be as favorable to the Funds as if they had been negotiated at arm's length with an unaffiliated third-party and may be costly and difficult to terminate. However, RIM believes the fees to be competitive with those standards in the market.

In addition, certain inherent conflicts of interest arise from the fact that RIM provides investment management services to other investment funds and may in the future provide investment management services to other funds, client accounts or proprietary accounts (such other funds, clients, and accounts, collectively the "Other Accounts"), in which the Funds will not have an interest. RIM could manage Funds that employ strategies that can overlap with or are similar to that of other Funds. The investment programs of the Funds and future Other Accounts may or may not be similar. RIM may give advice and recommend investments to a Fund or an Other Account which may differ from advice given to, or investments recommended or bought for, the Funds or Other Accounts, even though their investment objectives may be the same or similar to each other. The portfolio strategies employed by RIM in managing the Funds and Other Accounts could conflict with the transactions and strategies employed by RIM in managing other Funds and may affect the prices and availability of the securities and instruments in which certain Funds invest. Conversely, participation in specific investment opportunities may be appropriate, at times, for multiple Funds and/or Other Accounts.

While RIM will undertake to manage the Funds and Other Accounts diligently in pursuit of their respective investment objectives, RIM will devote as much of its time to the activities of the Funds and Other Accounts as it deems necessary and appropriate. When a conflict of interest arises, RIM will endeavor to ensure that the conflict is resolved fairly.

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

Code of Ethics

Our firm has adopted a written Code of Ethics in compliance with federal and state regulations. All employees of RIM are subject to this Code of Ethics. In carrying on its daily affairs, RIM and all of our associated persons shall act in a fair, lawful, and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with federal and state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions involving RIM related investments to our Chief Compliance Officer.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of RIM might take advantage of that knowledge for their own undisclosed benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to the Funds and Funds’ Investors; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving investments held or to be acquired by the Funds; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

The Ethics Rules are available to you and prospective Investors upon request. In the event that you request a copy of our Code of Ethics, we will furnish to you a copy within a reasonable period of time at your current address of record.

Personal Trading

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to the Funds or the Funds' Investors. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all personnel to report all personal transactions in securities not otherwise exempt under the policy, and publicly traded securities of unrelated companies and entities are exempt under the policy. Access persons must provide to our Chief Compliance Officer with a list of their personal accounts and the initial and annual holdings report. We also require our access persons to report their securities transactions on a quarterly basis. All access persons are provided with a copy of the Code of Ethics and are required to acknowledge receipt and understanding of the Code of Ethics on at least an annual basis. All reportable transactions are reviewed for compliance with the Code of Ethics.

Participation or Interest in Client Transactions

Related persons of RIM have financial ownership interests in the Funds and receive a performance-based compensation for their services. RIM and our principals, employees and affiliates, and their respective family members, may invest directly in the Funds, which investments potentially are not subject to management fees or performance-based compensation. Investments by these persons are subject to the same liquidity terms as all other Investors. We recognize the potential conflicts of interest that arise when its related persons invest in a Fund. We address these potential conflicts through our Code of Ethics, which sets forth a fiduciary standard that requires access persons to act in the best interests of the Funds and to place the interests of Funds ahead of their own interests and those of our access persons.

We address all potential conflicts through regular monitoring of the Funds' portfolios for consistency with the Funds' objectives, strategies, and target capacity. We also subject principals, employees and affiliates, and their respective family members who invest in a Fund to the same liquidity constraints as other Investors.

Investments may be purchased jointly by or for the benefit of one or more of the Funds and Other Accounts (whether currently in existence or formed in the future) managed by RIM. For purposes of operational efficiency, such investments may be initially purchased by an entity jointly owned by some or all of such investment entities before being allocated at cost among the participating Funds and/or accounts pursuant to RIM's allocation policy.

Pursuant to one of the RIM Agreements, RIM subsidiaries may originate a new loan to a borrower, originate a new loan to refinance an existing loan owned by one or more Funds or may accomplish modifications that result in a new loan. A Fund may purchase such loan from the RIM subsidiary at a price equal to the fair market value of the loan at the

time of such sale or otherwise purchase assets from RIM at fair market value from time to time. No Fund will purchase assets from RIM affiliates unless such purchase is disclosed in such Fund's constituent documents or is approved by such Fund's advisory board or investors.

To the extent permitted by applicable law, RIM may cause certain Funds or Other Accounts to purchase investments from, to sell investments to, to exchange investments with, or to transfer investments to another Fund, an Other Account or a RIM affiliate for a variety of reasons, including, without limitation, RIM's perception of the liquidity of each Fund at the time of the transfer and on a going-forward basis; relative exposure to market trends; the remaining term or time remaining in the investment period of each such Fund; the expected target size of the account or program; and the investment programs and portfolio positions of the Funds. Any such purchases, sales, exchanges, or transfers will be effected based upon the independent current market price or fair market value of the investment. Additionally, the Funds may sell certain assets from time to time to (i) Fund Investors and/or Fund Investor affiliated or owned entities or (ii) investors in Other Accounts. These transactions will be effected at fair value, and on terms that are agreed to on an arm's length basis.

Item 12 - Brokerage Practices

The Funds invest in asset-backed loans secured by real property or other assets. The Funds also expect to invest in structured notes collateralized by real property or other assets. Research and brokerage arrangements typical to securities exchange transactions do not apply to these types of investments. Particularly, we do not engage broker-dealers to purchase or sell securities for the Funds.

We do not pay or receive soft dollars benefits.

We do not use any broker-dealers or other third parties to direct Fund transactions to a specific broker-dealer in return for Fund Investor referrals.

We do not have directed brokerage arrangements. We only advise the Funds in consumer and small business loans and therefore we do not aggregate orders.

Item 13 - Review of Accounts

Investment Funds

Each Fund's respective portfolio is regularly reviewed by its Investment Committee, which meets as needed to review, evaluate, and authorize the investments and with regard to each respective Fund's investment policy, the suitability of the investments used to meet policy objectives and the investment objectives of the Funds. These portfolios are also reviewed to evaluate and assess, among other things, investment performance, sensitivity to market changes and whether the Fund continue to meet certain established investment criteria.

Investors will receive quarterly updates about the progress of the Fund or the underlying investments therein, typically within 60 days following quarter-end.

We will distribute to each Member as soon as practicable following the end of the Fiscal Year in which the Initial Closing (as defined below) occurs and, each Fiscal Year thereafter, audited year-end financial statements annually, unless waived by a majority of investors in such Fund. We will also have prepared and filed all Federal, state, and local income, franchise, gross receipts, payroll, and other tax returns that the Company is obligated to file. Copies of all Company tax returns, information returns, or reports shall be available to all Members as soon as possible after the close of the Company Fiscal Year at the offices of the Company. Copies of 1099-INTs or Schedule K-1 of the Company Tax Return (Form 1065), as applicable, shall be distributed to all Limited Partners or Members by April 15 of the following year.

You are encouraged to review all reports from us and compare them against your Subscription Agreement for the Funds you are invested in. You should immediately inform us of any discrepancy noted between these documents and the tax disclosure document you receive from us.

Item 14 - Client Referrals and Other Compensation

RIM does not receive economic benefits from non-clients (other than our arrangements with our affiliates described in Item 10) for providing investment advice and other advisory services to the Funds.

Neither RIM nor any related person directly or indirectly compensates any person who is not a supervised person for client referrals. In the future, RIM may enter into arrangements with placement agents providing for payments to such agents of a one-time or ongoing fee based on a percentage of the management fee and/or incentive compensation attributable to the interests of an investor introduced by such placement agent.

Item 15 - Custody

Rule 206(4)-2 promulgated under the U.S. Investment Advisers Act of 1940, as amended (the “Custody Rule”) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

The Custody Rule imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors) and surprise examinations relating to such clients’ funds or securities. However, an adviser need not comply with such requirements with respect to limited partnerships or pooled investment vehicles, if each limited partnership or pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to its investors within 120 days of its fiscal year-end.

Item 16 - Investment Discretion

Investment decisions are governed by the PPM or other organizing documents of each Fund, with the general partner, managing member, manager, or executives of each Fund. RIM provides recommendations and research analysis to the applicable general partner or managing member for potential investment, and the general partner or managing member makes the final determination, in accordance with the Funds' governing documents.

Prospective Fund Investors are provided with Offering Documents prior to their investment and are encouraged to carefully review these documents, and to be certain that the proposed investment is consistent with their investment goals and tolerance for risk. Prior to making any investment, prospective Investors should also consult with their legal, tax or other advisors. Prospective Investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

Item 17 - Voting Client Securities (i.e., Proxy Voting)

The types of securities we provide advice on do not have proxy votes. Therefore, we do not accept or have the authority to vote Fund securities.

Item 18 - Financial Information

We do not require or solicit prepayment of fees in excess of \$1,200 per Fund or Fund Investor and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years have we been the subject of a bankruptcy petition. RIM does not take custody or possession of any client funds. Each Fund sponsor or general partner, to the extent required by law, utilizes one or more clearing houses, broker-dealers, banks, trust companies or other entities (collectively, "Custodians") to hold all cash and securities assets held by the Fund. Any misappropriation of these funds or securities could impair our ability to meet contractual obligations to the Funds or the Fund Investors. We have established policies and procedures designed to protect Fund assets, including those described in Item 15 above.