

**ITEM 1  
COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**EM ADVISOR, LLC**

May 28, 2021

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF EM ADVISOR, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT EM ADVISOR, LLC BY PHONE AT (646) 844-9918 OR BY EMAIL AT [INFO@EQUITYMULTIPLE.COM](mailto:INFO@EQUITYMULTIPLE.COM). THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT EM Advisor, LLC ALSO IS AVAILABLE ON THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

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**ITEM 2**  
**MATERIAL CHANGES**

The Brochure is the initial Brochure on Form ADV Part 2A of EM Advisor, LLC.

**ITEM 3**  
**TABLE OF CONTENTS**

|  |    |
|--|----|
| ITEM 1 COVER PAGE .....  | 1  |
| ITEM 2 MATERIAL CHANGES .....  | 2  |
| ITEM 3 TABLE OF CONTENTS .....   | 3  |
| ITEM 4 ADVISORY BUSINESS .....   | 4  |
| ITEM 5 FEES AND COMPENSATION .....   | 9  |
| ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....  | 14 |
| ITEM 7 TYPES OF CLIENTS .....  | 15 |
| ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....                               | 16 |
| ITEM 9 DISCIPLINARY INFORMATION .....  | 37 |
| ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....                                     | 38 |
| ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS<br>AND PERSONAL TRADING ..... | 40 |
| ITEM 12 BROKERAGE PRACTICES .....  | 44 |
| ITEM 13 REVIEW OF ACCOUNTS .....   | 46 |
| ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....  | 47 |
| ITEM 15 CUSTODY .....  | 49 |
| ITEM 16 INVESTMENT DISCRETION .....  | 50 |
| ITEM 17 VOTING CLIENT SECURITIES .....   | 51 |
| ITEM 18 FINANCIAL INFORMATION .....  | 52 |

## **ITEM 4 ADVISORY BUSINESS**

### **A. General Description of Advisory Firm**

EM Advisor, LLC (the “Adviser”, “we”, “us”, and similar terms) is a Delaware limited liability company that was formed and commenced operations on March 19<sup>th</sup>, 2021 with principal offices located in New York, New York. The Adviser is a wholly-owned subsidiary of Equity Multiple, Inc. (the “Website Operator”), a Delaware corporation founded in February 2015. The principal owner of the Adviser is the Website Operator.

### **B. Description of Advisory Services**

The Website Operator operates and manages the EquityMultiple.com online platform (the “Website”). Through the use of the Website, investors can browse and screen commercial real estate (“CRE”) investment opportunities, view details of a prospective investment and then complete the investment process online. The Website allows individuals to become investors in historically difficult to access alternative investment opportunities. These opportunities are offered through investment vehicles managed by the Adviser structured as follows:

- Investment-specific special purpose vehicles (“SPVs”);
- Investment vehicles that offer exposure to alternative investment opportunities through issuing notes (“Note Issuers” and collectively with the SPVs, the “Fund or Funds”).

Each Fund has an operating agreement or other organizational documents, a subscription agreement, the listing on the Website and other applicable disclosure documents, which are referred to hereafter as “Offering Documents”. This Brochure may also from time to time refer to investors within the Funds as “Fund Investors”. The Adviser serves as the investment adviser to each Fund. The Adviser generally provides investment advice solely to the Funds, which at times are referred to herein as our “clients”, and not individual Fund Investors.

#### **i. Investment-Specific SPVs**

An investment-specific SPV is generally a limited liability company formed by the Adviser to serve as a special purpose investment vehicle for each such investment. Through the Website, individual accredited investors may purchase membership interests in the applicable SPV to participate in the investment opportunity. Each SPV is formed specifically to make a particular investment and its investment guidelines limit the SPV to making only that investment. The assets and liabilities of each SPV are kept separate and distinct from each other and there is no comingling of funds.

The advisory services performed by the Adviser with respect to SPVs are limited to: identifying

and acquiring the SPV’s investment, which is generally accomplished through the Adviser’s network of loan and/or other investment originators, sponsors and specialty finance companies, (each, an “Originator”) who provide access to potentially attractive investment opportunities; monitoring and managing each SPV’s existing investments; and coordinating distribution of proceeds and the ultimate liquidation of each SPV. Ultimately, each investor in a SPV chooses their investments and the amounts thereof and the Adviser has no discretion or authority with respect to such investor’s investment decisions.

ii. **Note Issuers**

We currently manage two categories of Note Issuers:

- Delaware limited liability companies that offer multiple series of privately-placed borrower payment dependent notes (the “RENOTE Funds”); and
- A Delaware limited liability company that offers multiple series of privately-placed 90-day promissory notes, 180-day promissory notes and 270-day promissory notes (the “ST NOTE Fund”).

The Adviser implements the RENOTE Funds’ investment objectives by creating wholly-owned special purpose investment vehicles, each of which (a) corresponds to a series of notes and (b) funds, acquires or originates one or more investments. Payments on each series of notes will be dependent on the payments each corresponding special purpose investment vehicle receives (and therefore, in turn, the relevant RENOTE Fund receives) on one or more specific investments.

The ST NOTE Fund similarly invests in special purpose investment vehicles that fund, make, acquire, originate, refinance, purchase or invest in investments. No note or series of notes issued by the ST NOTE Fund, however, is directly associated with any particular investment, unless specifically stated otherwise in the ST NOTE Fund’s Offering Documents. Instead, the notes are debt obligations that are secured by all of the assets of the ST NOTE Fund.

The Adviser manages Note Issuers and, in the case of the RENOTE Funds, their underlying special purpose investment vehicles, and is responsible for making their investment decisions on a discretionary basis. Ultimately, each note purchaser chooses their investments and the amounts thereof and the Adviser has no discretion or authority with respect to such note purchaser’s decisions.

\* \* \*

The Funds typically invest in real estate and real estate securities either directly or indirectly, including in direct loans to borrowers secured by income producing assets or in participation interests (such as individual or pools of loans) held by a third party (collectively, “Credit Investments”). Such Credit Investments are typically secured by interests in real or personal property. Certain Funds may also acquire equity or similar ownership interests in assets of the type underlying the Credit Investments we intend to target, including real estate (“Equity Investments”).

In accordance with the foregoing strategies, we will generally seek to acquire Credit Investments that (i) are believed to be sufficiently collateralized to preserve capital, and (ii) will generate

income in accordance with our desired investment characteristics. Given the nature and risks associated with special-situation lending, we will generally seek to focus first on the collateral available for each Credit Investment in order to protect principal, and then second on obtaining an appropriate return given the term, risk and liquidity associated with each specific Credit Investment. We will generally apply similar criteria for any Equity Investment we may acquire, with a focus on our expected risk adjusted return on such Equity Investments.

\* \* \*

The descriptions set forth in this Brochure of specific advisory services that we offer to our clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client’s investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks.

**C. Availability of Customized Services for Individual Funds**

Our investment decisions and advice with respect to each Fund will be subject to each Fund’s investment objectives and guidelines, as set forth in its respective Offering Documents. The Offering Documents of certain Funds, such as the SPVs, restrict the Adviser from purchasing on behalf of such Fund any securities or investments other than the initial investment made by such Fund. Investors and prospective investors in a Fund should refer to the Offering Documents for complete information regarding the investment restrictions and other information with respect to a Fund.

**D. Wrap Fee Programs**

The Adviser does not participate in wrap fee programs.

**E. Assets Under Management**

The Adviser managed approximately \$155,975,645 in regulatory assets under management on a fully discretionary basis, determined as of March 31, 2021.

## **ITEM 5 FEES AND COMPENSATION**

### **A. Advisory Fees and Compensation**

The fees applicable to each Fund are set forth in detail in each Fund's Offering Documents. A brief summary of such fees is provided below. In the sole discretion of the Adviser or its affiliates, the fees and expenses discussed herein may be waived, reduced or calculated differently with respect to certain investors or clients.

#### **i. SPVs**

The Adviser is generally paid an annual management fee between 1% and 2% of the outstanding capital contribution balance with respect to each SPV. In addition, the management fee may be a variable amount linked to LIBOR or a different index. Each SPV's fee is set before raising capital from investors. Management fees are generally accrued and paid to the Adviser simultaneous with distributions to Fund Investors. In some cases, the first-year management fees may be higher than subsequent years due to the initial work involved at inception or the management fee may decline over time.

#### **ii. Note Issuers**

The RENOTE Funds pay the Adviser a management fee that varies with each series of notes but generally ranges between 1% and 2% of the principal amount of the notes. Management fees are generally accrued and paid to the Adviser simultaneous to payments of interest to the noteholders.

The Adviser does not receive fee compensation from the ST NOTE Fund for acting as manager thereof.

### **B. Additional Fees and Expenses**

Each Fund will reimburse, either through a fixed-fee or otherwise, the Adviser for any expenses paid by the Adviser that are properly borne by the Fund, unless the Adviser elects to bear such expenses. However, any such election by the Adviser to bear such expenses shall not be deemed a waiver of the Adviser's right to seek reimbursement from the Funds with respect to any future expenses of a similar nature.

Due to the fact that the Adviser manages investments on behalf of a number of the Funds, certain expenses may be shared by more than one Fund. With respect to expenses attributable to one or more of the Funds, and one or more of the Adviser or the Website Operator, the Adviser seeks to allocate such expenses fairly, taking into consideration (i) the extent of each such party's utilization of the services associated with the expense, (ii) the relative benefit to each such party that is derived from the expense, and (iii) the association of the expense with a legal, contractual or other obligation of one or more of such parties (iv) the outstanding capital contribution balance with respect to each Fund.

A summary of additional fees and expenses related to clients' investment activities, which may be paid to the Adviser or its affiliates, is provided below.

**i. Origination Fee**

When a Fund or a Fund's underlying special purpose investment vehicle (or an affiliate thereof) charges any origination fee, upfront fee, exit fee and lender discount points to borrower, the Website Operator, the Adviser or an affiliate thereof will retain such fees, except if the corresponding Offering Documents provide otherwise.

**ii. Due Diligence Fees**

A due diligence fee is payable to the Website Operator (or an affiliate thereof) for each investment acquired, funded and/or purchased by a Fund or a Fund's underlying special purpose investment vehicle. This fee is a flat fee negotiated on a case-by-case basis with the Originator of the underlying investment opportunity. This fee is sometimes waived at the discretion of the Website Operator.

**iii. Extension and Modification Fees**

Except if the Offering Documents provide otherwise, extension and modification fees are collected from borrowers and payable to, as applicable, the relevant Fund, the relevant Fund's underlying special purpose investment vehicle or the servicer of the investment, which may be a third party or an affiliate of the Adviser. Such fees are typically between one and three percent (0.5-2%) of the original or outstanding underlying investment amount, but could be higher depending on market rates and conditions. All or a portion of such fees will be distributed to, and retained by, the Website Operator, the Adviser or an affiliate thereof, except if the corresponding Offering Documents provide otherwise.

**iv. Processing, Documentation and Similar Fees**

Processing and documentation and other similar fees that are collected from the borrower are payable to a Fund or a Fund's special purpose investment vehicle at prevailing industry rates, if the Fund or the Fund's special purpose investment vehicle is entitled to such fees by virtue of being the investment's Originator or under a participation interest. Such fees are distributed to, and retained by the Website Operator, the Adviser or an affiliate thereof.

Processing and documentation fees include underwriting fees, appraisal fees, title fees, inspection fees, escrow fees, environmental assessment fees, construction disbursement fees, warehousing fees, administration fees and other similar charges.

**v. Other Fees**

All other fees paid by sponsor or borrower on account of investments or participation interests are retained by the Website Operator, the Adviser or an affiliate thereof (except if the Offering Documents provide otherwise) including, but not limited to, all forbearance fees, late fees, late charges, attorneys' fees or any collection fees imposed in connection with collection efforts on a

delinquent asset, prepayment penalties, default interest, and all other similarly related fees incurred by sponsors or borrowers (including but not limited to, other fees authorized by legal documents for work performed regarding the subject investment or loan) .

**vi. Servicing Fee**

Any servicing fees payable to a servicer are calculated as an expense to the applicable Fund, unless the Fund, the Fund's special purpose investment vehicle or an affiliate thereof is the loan servicer in which case such fees are retained by the Website Operator, the Adviser or an affiliate thereof, and generally will not be paid to the Fund Investors.

**vii. Additional Expenses Related to SPVs**

Fund Investors in SPVs are assessed a flat fee (as set forth in the Offering Documents) intended to reimburse the Adviser for annual SPV expenses, which include (i) mandated expenses required by the SEC such as Form D filings; (ii) State blue sky filings; (iii) the SPV's annual Delaware franchise and registered agent fees; and (iv) annual audit fees and costs associated with preparation of the SPV's annual tax returns. These expenses are externally required regardless of the performance of a SPV's investment, and Fund Investors' allocation of these fixed amounts will reduce the interest distributions to such Fund Investors as set forth in the Offering Documents.

The relevant operating agreement for each SPV generally requires the SPV to indemnify the Adviser from any loss or expense incurred by the Adviser in connection with any actions taken by the Adviser on behalf of the SPV in accordance with the operating agreement, including expenses associated with holding, financing, monitoring, maintaining, servicing and disposing of investments.

**viii. Additional Expenses Related to the Note Issuers**

Generally, noteholders also are allocated and are responsible for a flat amount (as set forth in the Offering Documents) used to reimburse the Adviser for certain operating expenses, which include, but are not limited to: (i) mandated expenses required by the SEC such as Form D filings, (ii) State blue sky filings, (iii) out-of-pocket legal fees and expenses, if any, incurred to structure and document any loan or participation interest, (iv) the related special purpose investment vehicle's annual Delaware franchise and registered agent fees, (v) the annual fees associated with the Note Issuer's trustee and other fees associated therewith and (vi) annual audit fees and costs associated with preparation of the Note Issuer's and SPV's annual tax returns.

**C. Pre-Payment of Fees**

Fees are not paid to the Adviser in advance.

**D. Additional Compensation and Conflicts of Interest**

Neither the Adviser nor the Website Operator receive compensation in connection with the sale of securities or other investment products of the Advisor. Certain supervised persons may receive compensation as registered representatives of Growth Capital Services, a registered broker-dealer and member of FINRA and SIPC.

**ITEM 6**  
**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Performance-based fees or carried interest profit allocations are subject to regulation under Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Adviser seeks to ensure that any Fund Investors that are directly or indirectly assessed performance-based fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 and have been advised of such fees or allocations and their risks.

As noted in Item 5, as set forth in the Offering Documents of certain Funds, the Adviser may charge incentive or performance-based fees to such Funds if specified investment portfolio performance conditions are met. For the Note Issuers, the Adviser does not charge performance-based fees.

The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of the Fund Investors. In addition, to the extent the Adviser manages Funds that have varying performance-based compensations, it may have an incentive to allocate investments or otherwise provide preferential treatment to certain Funds over others if such Funds have more favorable performance-based compensation terms than other Funds.

**ITEM 7**  
**TYPES OF CLIENTS**

The Adviser's clients consist of the Funds, as described above.

**ITEM 8**  
**METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

The descriptions set forth in this Brochure of specific advisory services that we offer to clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The Adviser's objective generally is to present clients with real estate investment opportunities that offer an appropriate return given the term and risk associated with each specific investment.

**i. Asset Managers / Originators**

The Adviser generally works with sponsors, loan originators or other asset managers (i.e. Originators) who can provide access to potentially attractive investment opportunities and other deal flow. We identify and cultivate relationships with experienced Originators that we believe have significant experience and a track record of originating and managing the types of investment opportunities and/or loans we expect to target for investment. These Originators perform primary due diligence on the potential investment and negotiate terms and documentation with the seller or borrower. These Originators also generally retain responsibility for managing or servicing investments or loans they originate through their respective life cycles. We vet and conduct due diligence on potential Originators, including reviewing their background, credit and underwriting policies, evaluating their existing portfolio and performance and review their business policies, among other things. Once an Originator has been vetted, we will then evaluate potential investment opportunities from that Originator that may be suitable for clients and make investment decisions on a deal-by-deal basis.

**ii. Analysis of Investments**

The Advisor generally looks at a range of real estate and real estate related investment opportunities with a focus on opportunities that offer an appropriate return given the term and risk associated with each specific investment. The Advisor reviews the analysis of the Originator, who frequently has experience in the specific property type, market or business plan contemplated in the investment. The Advisor also reviews relevant market data, third party appraisals and market studies where available. Additionally, with respect to investments in loans, the Advisor generally looks at investment opportunities with loan-to-value (LTV) ratios between under 80%, but may be higher. In these cases, even if an investment opportunity does not perform as expected, some or all of the investment may be able to be recovered via a sale or other disposition of the asset.

### **iii. Sale of Investments**

The Adviser does not plan on acquiring investments for its clients for the primary purpose of reselling such investments in the ordinary course of business. However, the Adviser may sell investments, or fractional interests in such investments, when we determine that it may be advantageous for clients to do so, based upon then current interest rates, the length of time that the investment has been held by the client and the client's investment objective and strategies.

### **iv. Use of Leverage**

To seek to enhance client returns and manage client liquidity needs, the Adviser may cause clients to borrow money from time to time in the Adviser's discretion, within the levels permitted by the client Offering Documents and applicable law, when the terms and conditions available are favorable to investing and well-aligned with the client's investment strategy and portfolio composition. In determining whether and when to borrow money, the Adviser will analyze the maturity, covenant package and rate structure of the proposed borrowings as well as the risks of such borrowings compared to the relevant client's investment outlook, taking into account such client's current liquidity needs and the relative maturity dates of our client's portfolio. The use of borrowed funds or the proceeds of preferred stock to make investments has its own specific set of benefits and risks, and all of the costs of borrowing funds or issuing preferred stock would be borne by clients.

## **B. Material, Significant or Unusual Risks Relating to Investment Strategies**

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us. Investors and clients are advised to review the applicable Offering Documents for a more extensive description of the risks of investing in the Funds advised by the Adviser.

### **General Risk of Loss.**

In all cases, clients and Fund Investors are advised that:

- investing in securities involves a risk of loss, including the risk that borrowers will not repay their loans;
- the risks of investing mean that Fund Investors may lose all or most of their investment;
- investment performance of any kind can never be guaranteed. Investments may lose value over time and no return is guaranteed;
- investments are not guaranteed or insured by the Federal Deposit Insurance Corporation, any bank, any governmental agency or any third party;
- historical performance of the Fund and the Originator is not indicative of future performance and investors may lose part or all of their capital; and
- there can be no assurances that a client's desired return and risk level can, or will, be

achieved.

Specific risks are disclosed in connection with the Offering Documents for such Funds. All investors are urged to review all Offering Documents and other offering materials, including disclosures, risk factors and transaction documents in their entirety and with their tax, legal and financial advisors prior to investing.

**The Adviser relies on third-parties and FDIC-insured banks to process transactions through the Website.**

The Adviser relies on third-party and FDIC-insured depository institutions to process client transactions through the Website, including payments on client investments. Under the ACH rules, if the Website Operator or its affiliates experience a high rate of reversed transactions (“chargebacks”), the Website Operator may be subject to sanctions and potentially disqualified from using the system to process payments. In addition, if for any reason, the Website Operator’s third-party vendor and/or FDIC-insured bank that processes transactions, were no longer able to do so, the Adviser would be required to transition such services for its clients. In such event, clients could experience significant delay in their ability to process payments timely and their ability to receive payments on their investments will be delayed or impaired.

**If the security of a client’s or Fund Investor’s confidential information stored on the Website’s systems is breached or otherwise subjected to unauthorized access, their secure information may be stolen.**

The Website may store client or Fund Investor bank information and other personally identifiable sensitive data. The Website is compliant with payment card industry security standards and uses daily security monitoring services and intrusion detection services monitoring malicious behavior. However, any willful security breach or other unauthorized access could cause secure information to be stolen and used for criminal purposes, and clients and Fund Investors would be subject to increased risk of fraud or identity theft. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Website and the Website Operator’s third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, many states have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause clients, Fund Investors and Originators and/or borrowers to lose confidence in the effectiveness of the Website’s data security measures. Any security breach, whether actual or perceived, would harm the Adviser’s reputation, resulting in a loss of clients and Fund Investors, and the value of client investments could be adversely affected.

**Any significant disruption in service on the Website or in its computer systems could materially and adversely affect the Adviser’s ability to perform its obligations.**

If a catastrophic event resulted in a Website outage and physical data loss, the Adviser’s ability to

perform its obligations would be materially and adversely affected. The satisfactory performance, reliability, and availability of the Website's technology and its underlying hosting services infrastructure are critical to the Adviser's and its client's operations, level of customer service, and reputation. The Website's hosting services infrastructure is provided by a third-party hosting provider (the "Hosting Provider"). The Website also maintains a backup system at a separate location that is owned and operated by a third party. The Hosting Provider does not guarantee that users' access to the Website will be uninterrupted, error-free or secure. The Website's operations depend on the Hosting Provider's ability to protect its and the Website's systems in its facilities against damage or interruption from natural disasters, power or telecommunications failures, air quality, temperature, humidity and other environmental concerns, computer viruses or other attempts to harm the Adviser's systems, criminal acts and similar events. If the Website's arrangement with the Hosting Provider is terminated, or there is a lapse of service or damage to its facilities, an interruption in service as well as delays and additional expense in arranging new facilities could be experienced. Any interruptions or delays in the Website's service, whether as a result of an error by the Hosting Provider or other third-party error, the Website Operator's error, natural disasters or security breaches, whether accidental or willful, could harm the Adviser's ability to perform any services with respect to client investments or maintain accurate accounts, and could harm the Adviser's relationships with its clients and its reputation. Additionally, in the event of damage or interruption, the Adviser's and clients' insurance policies may not adequately compensate clients for any losses that they may incur. The Adviser's disaster recovery plan has not been tested under actual disaster conditions, and there would be some delay in recovering data and services in the event of an outage at a facility operated by the Hosting Provider. In addition, there is no guarantee that all data would be recoverable. These factors could prevent the Adviser from processing or posting payments on client investments, divert employees' attention and damage the Adviser's brand and reputation.

**If the Adviser causes clients to borrow money, the potential for loss will be magnified and may increase the risk of Fund Investors investing in clients advised by the Adviser.**

The Adviser may cause clients to borrow funds to make investments. The use of borrowings, also known as leverage, increases the volatility of investments and magnifies the potential for loss on invested equity capital. If clients use leverage to partially finance their investments, through borrowing from banks and other lenders, Fund Investors will experience increased risks of investing in such clients advised by the Adviser. If the value of a client's assets decreases, leveraging would cause the client's net asset value to decline more sharply than it otherwise would have had such client not leveraged. Similarly, any decrease in a client's income would cause net income attributable to such client to decline more sharply than it would have had the client not borrowed. Such a decline could negatively affect a client's ability to make distribution payments. Leverage is generally considered a speculative investment technique. In addition, the decision to utilize leverage will increase client assets and, as a result, will increase the amount of management fees payable to the Adviser.

**Changes in interest rates may affect clients' cost of capital and net investment income.**

If clients borrow funds to make investments, their net investment income will depend, in part, upon the difference between the rate at which they borrow funds and the rate at which they invest

those funds. As a result, the Adviser can offer no assurance that a significant change in market interest rates will not have a material adverse effect on clients' net investment income. In periods of rising interest rates when clients have debt outstanding, their cost of funds will increase, which could reduce their net investment income. The Adviser expects that its clients' fixed-rate investments will be financed primarily with equity and debt. The Adviser may cause clients to use interest rate risk management techniques in an effort to limit their exposure to interest rate fluctuations. These techniques may include various interest rate hedging activities as set forth in, and permitted by, the Offering Documents and applicable law. These activities may limit a client's ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on a client's business, financial condition and results of operations. Also, the Adviser has limited experience in entering into hedging transactions and may have to purchase or develop such expertise.

**Clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, which may have a material adverse effect on the Adviser and global financial markets.**

Clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease or a pandemic (such as the recent novel strain of coronavirus, known as COVID-19). Disease outbreaks that affect local economies or the global economy may materially and adversely impact clients' investment portfolios and/or the Adviser's business. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that the Adviser or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact of a pandemic or disease outbreak is unknown, which could result in a high degree of uncertainty for potentially extended periods of time. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which clients participate (or has a material effect on locations in which the Adviser operates) the risks of loss can be substantial and could have a material adverse effect on the performance of the clients' investments.

**C. Risks Associated with Particular Types of Securities**

We do not recommend a particular type of investment instrument to clients, but rather, we recommend and invest in multiple investment instruments. However, because it may be useful in understanding our investment program, set forth below is a non-exclusive list of certain risks related to securities and other instruments that may be utilized within our clients' portfolios. Investors and clients are advised to review the applicable Offering Documents for a more extensive description of the risks of investing with the Adviser.

**Clients face specific risks associated with investments in real estate or real-estate related instruments, which may cause their expected returns to not materialize, or may materially impair the value of their investments, which may materially and adversely affect their financial condition and results of operations.**

**General.** Real estate values can be impacted by a variety of factors. Some of those factors include: (i) economic conditions in the U.S. and/or international markets, (ii) local market factors such as an abundance of space or a drop in demand for space; (iii) financial condition of tenants, buyers and sellers of properties; (iv) changes in rental rates; (v) location and quality of the properties and changes in the relative demand for property types and locations; (vi) the strength and capability of property management; (vii) potential liability under changing environmental and other laws or succession in ownership and fluctuations in real estate tax rates and other operating costs and expenses; (viii) energy and supply shortages; (ix) fluctuations in interest rates and the availability of debt financing; (x) uninsured losses or delays from casualties or condemnation; (xi) government regulations (including those governing usage, improvements, zoning and taxes) and fiscal policies; (xii) quality of maintenance, insurance and management services; (xiii) property level or structural latent defects; and (xiv) acts of God, acts of war (declared or undeclared), terrorist acts, strikes, epidemics and pandemics (such as COVID-19) and other factors beyond the control of the Originator or Advisor.

**Real Estate Insurance.** The insurance coverage applicable to real estate investments contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. There may be certain losses, including losses from floods and losses from earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to a real estate investment, clients could experience a significant loss and could potentially remain obligated under any recourse debt associated with the property.

**Potential Environmental Liability.** Under various U.S. federal, state, and local laws, ordinances and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or in its property. The costs of removal or remediation of such substances could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The Adviser will attempt to assess such risks as part of our due diligence activities, but cannot give any assurance that such conditions do not exist or may not arise in the future. The presence of such substances on client real estate investments could adversely affect a client's ability to sell such investments or to borrow using such investments as collateral.

**Real Estate-Related Securities.** Securities issued by entities which invest in real estate, including "real estate investment trusts" ("REITs"), generally will be subject to the risks incident to the ownership and operation of commercial real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate. Such risks include, without limitation, the risks associated with both the domestic and international general economic climates; local real estate

conditions; risks due to dependence on cash flow; risks and operating problems arising out of the absence of certain construction materials; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); the financial condition of tenants, buyers and sellers of properties; changes in availability of debt financing; energy and supply shortages; changes in the tax, real estate, environmental, and zoning laws and regulations; various uninsured or uninsurable risks; natural disasters; and our ability or third-party managers to manage the real properties. In addition, clients may incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property.

**Valuation Risks.** Real estate valuation is an inherently inexact process and depends on numerous factors, all of which are subject to change. Appraisals or opinions of value may prove to be insufficiently supported, and the Adviser's review of the value of the underlying property in determining whether a client should make or participate in an underlying investment and the value of the underlying property may be based on information that is incorrect or opinions that are overly optimistic. The risk of default in such situations is increased, and the risk of loss to clients will be commensurately greater.

**Lack of Control Over Real Estate Projects.** With respect to a particular property, either the Sponsor or borrower (or a third party real estate management company affiliated with or engaged by Sponsor or borrower) is responsible for various management functions that are essential to the success of a real estate project, including property marketing and leasing rates, payment of bills, maintenance of insurance, and property management generally. Poor management on the part of the real estate company could adversely affect the financial performance of the corresponding project investor or expose it to unanticipated operating risk, which could reduce the property's cash flow and adversely affect the borrower's ability to repay the underlying investment, which could have a material adverse effect on a client's investment. This risk also pertains to construction of, or renovations to, real estate. Real estate construction brings with it the risk of cost overrun and time delays. Construction projects are also contingent on correct zoning, various approvals, and regulation. These situations may require additional capital or delay the completion of the project and impair the Sponsor's or borrower's ability to repay the underlying investment, which could have a material adverse effect on a client's investment.

#### **Nature of Common Equity; No Lien on Underlying Property**

The nature of common equity financing is that the common equity investor will not have any lien on the property itself. The common equity is thus in a position effectively subordinate to any primary loan on the property or other indebtedness. As a result, use of leverage enhances risk of loss on equity investments, including the potential for full loss of original investment. The Sponsor cannot offer any assurances that there will be sufficient cash available to make distributions to common equity investors from either net cash from operations or proceeds from the sale of the asset. The Sponsor may, in its discretion, retain any portion of such funds for property operations or capital improvements. Common equity investors are typically only entitled to distributions after required payments are made to all creditors.

#### **Nature of Preferred Equity; No Lien on Underlying Property**

The nature of preferred equity financing is that the preferred equity investor will not have any lien on the property itself, but rather a contractual right to take over the Sponsor's control rights in the Target in certain circumstances or receive an increased rate of return. The preferred equity is thus in a position effectively subordinate to any primary loan on the property or other indebtedness. As a result, use of leverage enhances risk of loss on preferred equity investments, including the potential for full loss of original investment. The preferred equity interest will typically not participate in any appreciation of the Property's value. In addition, although there is typically a defined maturity date for a preferred equity investment, an extension option or options may be exercised and in any event there can be no assurance that the investment will be liquidated at or promptly after such maturity date (as it may be extended).

**Investment in loans and related participation interests are subject to unique risks.**

Client investments will include investments in loans and related participation interests. These obligations are subject to unique risks, including, (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations, (iv) limitations on the ability to directly enforce rights with respect to participations, and (v) possible claims for the return of some or all payments in a debt made within 90 days (and in some cases, within one year) of the date that the issuer's/borrower's insolvency came under Title 11 of the United States Code (the "Bankruptcy Code") and under certain state laws. In analyzing each loan or participation, the Adviser will compare the relative significance of the risks against the expected benefits of the investment. Any loss incurred as a result of these risks may be significant and adversely affect client performance.

**Some of the Credit Investments purchased by clients will be or will become non-performing, which could significantly and adversely affect client performance.**

It is anticipated that some of the Credit Investments that clients will purchase will be or become non-performing and possibly in default. Furthermore, the obligor and/or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments with respect to the Credit Investments. By their nature, these investments will involve a high degree of risk. Such non-performing loans ("NPLs") may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan and/or the deferral of payments. Commercial and industrial loans in workout and/or restructuring modes and the bankruptcy or insolvency laws of non-U.S. jurisdictions are subject to additional potential liabilities, which may exceed the value of a client's original investment. For example, borrowers often resist foreclosure on collateral by asserting numerous claims, counterclaims and defenses against the holder of loans, including lender liability claims and defenses, in an effort to delay or prevent foreclosure. Even assuming that the collateral securing each loan provides adequate security for the loans, substantial delays could be encountered in connection with the liquidation of NPLs. In the event of a default by a borrower, these restrictions as well as the ability of the borrower to file for bankruptcy protection, among other things, may impede the ability to foreclose on or sell the collateral or to

obtain net liquidation proceeds sufficient to repay all amounts due on the related loan. Under certain circumstances, payments earned from these NPLs may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Bankruptcy laws may delay a client's ability to realize on collateral for loan positions held by such client or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the Bankruptcy Code. Any loss incurred on these types of investments may be significant and adversely affect client performance.

### **Usury laws may affect the Credit Investments.**

Certain states where collateral related to Credit Investments are located have usury laws in place that limit the maximum interest rate of an underlying loan. At times, these laws may effectively affect payments by preventing the recovery of certain payment amounts. Further, usury laws may be subject to change at the hands of state legislators. If a borrower were to succeed in bringing a claim against a lender of record for a state law usury violation, and the court were to find that the rate charged exceeded the maximum allowable rate applicable in such state, not only would the underlying Credit Investment not receive the anticipated full value of its loan investment, but clients could be subject to fines and other penalties if such client was the lender of record.

### **Participation interests are unsecured and participants have limited rights.**

Clients will hold many of their assets in participation interests or other indirect economic interests in loans or other debt assets. In such circumstances, clients will not directly own the debt assets underlying such participation interests or other economic interests and/or have custody thereof. While the originating lender's interest is secured by the assets pledged to the underlying loan from which the participation interest stems, the participation interests held by clients are not directly secured by the same assets. As such, if the originating lender becomes insolvent, then clients' participation interests could be superseded by the senior creditors of the originating lender and clients may lose some or all of their investment or payment thereon could be substantially delayed.

In addition, as an owner of participation interests or other indirect economic interests (including as a member of a loan syndicate), clients may not be able to assert any rights against borrowers of the underlying indebtedness, and may need to rely on the holder/custodian (or other financial institution) issuing the participation interests or such other entity charged with the responsibility for asserting such rights, if any. Such holders/custodians and financial institutions or other entities may have reasons not to assert their rights, whether due to a limited financial interest in the outcome, other relationships with the underlying defaulting borrowers, the threat of potential counterclaims or other reasons, that may diverge from the relevant client's interests. The failure of such holders/custodians and financial institutions or other entities to assert their rights (on a client's behalf) or the insolvency of such entities could materially adversely affect the value of such client's assets.

### **Loan origination or purchase of participation interests may expose clients to risk of losses resulting from default and foreclosure.**

Although the Adviser expects to cause clients to invest in Credit Investments that are directly or indirectly secured by collateral, clients may be exposed to losses resulting from default and foreclosure of any such Credit Investments in which they have invested. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of client investments. No guarantee can be made regarding the adequacy of the protection of clients' security in the Credit Investments in which they invest. Moreover, in the event of foreclosure or default, clients may assume direct ownership of any assets collateralizing such defaulted Credit Investments where they are the lender of record. The liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such Credit Investments, resulting in a loss. Any costs or delays involved in the effectuation of processing foreclosures or liquidation of the assets collateralizing such Credit Investments will further reduce proceeds associated therewith and, consequently, increase possible losses. In addition, no assurances can be made that borrowers or third parties will not assert claims in connection with foreclosure proceedings or otherwise, or that such claims will not interfere with the enforcement of client rights.

**Client claims against a borrower may be subject to equitable subordination to other claims against the borrower.**

Under the laws of certain jurisdictions, a court may use its equitable powers to subordinate the claim of a lender to some or all of the other claims against the borrower under certain circumstances. The concept of equitable subordination is that a claim may normally be subordinated only if its holder is guilty of some misconduct. The remedy is intended to be remedial, and not penal. In determining whether equitable subordination of a claim is appropriate in any given circumstance, courts may look to whether the following conditions have been satisfied: (i) whether the claimant has engaged in some type of inequitable conduct; (ii) whether the misconduct has resulted in injury to the creditors of the bankrupt company or conferred an unfair advantage on the claimant; and (iii) whether equitable subordination would be inconsistent with other applicable provisions of the Bankruptcy Code. While the stated test could be interpreted broadly, equitable subordination is usually confined to three general paradigms: (x) when a fiduciary of the debtor (who is also a creditor) misuses its position to the detriment of other creditors; (y) when a third party (which can include a lender) controls the debtor to the disadvantage of other creditors; and (z) when a third party actually defrauds other creditors. Clients may be subject to claims from creditors of an obligor that debt assets of such obligor which are held by such clients should be equitably subordinated. The concept of equitable subordination (or the equivalent thereof) may vary from jurisdiction to jurisdiction. To the extent the concept of equitable subordination were to apply to an originating lender of a loan in which a client has acquired a participation interest, the client could be adversely affected.

**Recharacterization of a claim under the Bankruptcy Code could adversely affect clients.**

Under the Bankruptcy Code, a court may use its equitable powers to "recharacterize" the claim of a lender, i.e., notwithstanding the characterization by the lender and borrower of a loan advance as a "debt," to find that the advance was in fact a contribution in exchange for equity. Typically,

recharacterization occurs when an equity holder asserts a claim based on a loan made by the equity holder to the borrower at a time when the borrower was in such poor financial condition so that other lenders would not make such a loan. In effect, a court that recharacterizes a claim makes a determination that the original circumstance of the contribution warrants treating the holder's advance not as debt but rather as equity. In determining whether recharacterization is warranted in any given circumstance, courts may look at the following factors: (i) the names given to the instruments (if any) evidencing the indebtedness; (ii) the presence or absence of a fixed maturity or scheduled payment; (iii) the presence or absence of a fixed rate of interest and interest payments; (iv) the source of repayments; (v) the adequacy or inadequacy of capital; (vi) the identity of interest between the creditor and the equity holders; (vii) the security (if any) for the advances; (viii) the borrower's ability to obtain financing from outside lending institutions; (ix) the extent to which the advances were subordinated to the claims of outside creditors; (x) the extent to which the assets were used to acquire capital assets; and (xi) the presence or absence of a sinking fund to provide for repayment. These factors are reviewed under the circumstances of each case, and no one factor is controlling. A client may be subject to claims from creditors of an obligor that debt obligations of such obligor held by the client should be recharacterized. Clients could be adversely affected whether they were the lender of record or they acquired a participation interest in a loan that was subject to recharacterization.

**If clients own debt that is junior to other secured debt, they could lose the entire value of their investment in such debt.**

Clients may originate or invest in secured debt issued by companies that have or may incur additional debt that is senior to the secured debt owned by such clients. In many instances, loans made by clients may be part of a unitranche structure in which a single lien on behalf of all the lenders in the structure will be filed against the assets of the borrower(s) if the lenders holding the different tranches of debt (including clients) will contractually agree to their respective priorities in those assets. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of any such company, the owners of senior secured debt (i.e., the owners of first priority liens), including in a unitranche structure through the contractual agreements between the lenders, generally will be entitled to receive proceeds from any realization of the secured collateral until they have been reimbursed. At such time, the owners of junior secured debt (including, in certain circumstances, clients) will be entitled to receive proceeds from the realization of the collateral securing such debt. There can be no assurances that the proceeds, if any, from the sale of such collateral would be sufficient to satisfy the loan obligations secured by subordinate debt instruments. To the extent that clients own secured debt that is junior to other secured debt, they may lose the value of their entire investment in such secured debt.

**Changing interest rates and prepayment features may decrease the value of Credit Investments.**

Clients may invest in fixed interest rate Credit Investments. The value of fixed interest rate Credit Investments generally has an inverse relationship with future interest rates. Accordingly, if interest rates rise, the value of such instruments may decline. In addition, to the extent that the assets underlying specific financial instruments may be prepaid without penalty or premium, the value

of such financial instruments may be negatively affected by increasing prepayments. Such prepayments tend to occur more frequently as interest rates decline.

**Clients may invest in assets with no or limited performance or operating history.**

Clients may invest in assets with no or limited investment history or performance record upon which the Adviser will be able to evaluate their likely performance. Client investments in entities with no or limited operating history are subject to all of the risks and uncertainties associated with a new business, including the risk that such entities will not achieve the returns which the Adviser is seeking to achieve given the term, risk and liquidity of such investment. Consequently, client performance could be adversely affected.

**Clients are exposed to fraud through the investments held in their portfolio.**

**Investing involves the possibility of a client's investments being subject to potential losses arising from material misrepresentation or omission on the part of borrowers and obligors whose investments such client holds, either directly or indirectly through Credit Investments, CLOs or other structured investment vehicles. Investments may also be subject to fraudulent behavior by an Originator, a joint venture partner, manager or other service provider. Such inaccuracy or incompleteness of representations or fraudulent behavior may adversely affect the valuation of client investments and, in the case of Credit Investments, may adversely affect the ability of the relevant investment to perfect or effectuate a lien on the collateral securing the loan. The quality of client investments is subject to the accuracy of representations made by the underlying issuers. The Adviser will rely upon the accuracy and completeness of representations made by borrowers, obligors, Originators, other counterparties, joint venture partners, managers and other service providers and cannot guarantee that we will detect occurrences of fraud. Under certain circumstances, payments by borrowers to clients may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential distribution.**

**The payment of underlying portfolio manager fees and other charges could adversely impact client returns.**

Clients may invest in investments where the underlying portfolios may be subject to management, administration and incentive or performance fees, in addition to the fees payable by such clients. Payment of such additional fees could adversely impact the returns clients achieve.

**The Adviser may rely on data about certain investments provided by Originators or obtained from third party or publicly available sources, which it may be unable to separately verify, which could expose clients to risks if such data is incorrect.**

Originators and related borrowers supply a variety of information regarding asset, property and other collateral valuations, market data, their experience, personal identifying information, and other information. The Adviser will make an attempt to verify portions of this information, but as a practical matter, portions of the information may be incomplete, inaccurate or intentionally false.

Originators and related borrowers may also misrepresent their intentions for the use of loan proceeds. The Adviser does not verify any statements by applicants as to how loan proceeds are to be used. If a borrower supplies false, misleading or inaccurate information, clients may lose all or a portion of their investment. With respect to certain investments, a client may not have any contractual or other relationship with any borrower that would enable such client to make any claim against such borrower for fraud or breach of any representation or warranty in relation to any false, incomplete or misleading information supplied by such borrower in relation to the relevant underlying investment.

**Clients may experience fluctuations in the receipt of proceeds, which could cause the amount of distributions to a client or a client's investors to fluctuate.**

The Adviser expects to experience fluctuations in the timing and amount of proceeds a client may receive in the form of interest and fee income and in connection with the realization of investments in loans and other instruments in which such client has invested. Such fluctuations are due to, among other things, changes in the interest rates payable on the debt instruments acquired by a client, the default rate on such debt instruments, the level of a client's expenses (including the interest rates payable on a client's borrowings), variations in and the timing of the realization of investments, the degree to which a client encounters competition in the markets and general economic conditions. As a result of these factors, the amounts of distributions to a client or a client's investors may fluctuate substantially.

**Clients may experience difficulties in disposing investments due to their illiquid nature.**

Each client is expected to hold a significant portion of its investments or loans until maturity or earlier redemption and investments are expected to be illiquid. Should the Adviser determine it to be advisable to earlier dispose of any illiquid investments, a client may have difficulty doing so. Alternatively, a client may only be able to sell such investments or loans at substantial discounts to face value. In certain circumstances, a client may be prohibited by contract from selling investments for defined periods of time. Depending on the type of investment or loan held by a client, such investments and loans may require a substantial period of time to liquidate. There can be no assurances that there will be a liquid market for resale of such investments or loans, and illiquidity may result from the absence of an established market for certain investments and loans as well as from legal or contractual restrictions.

**Clients face risks relating to the syndication and/or transfer of Credit Investments.**

A client may in certain circumstances, purchase debt assets (including, participation interests or other indirect economic interests) with the intent of syndicating and/or otherwise transferring a significant portion thereof. In such instances, such client will bear the risk of any decline in value prior to such syndication and/or other transfer. In addition, such client will also bear the risk of any inability to syndicate or otherwise transfer such assets or such amount thereof as originally intended, which could result in such client owning a greater interest therein than anticipated.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

Neither the Adviser nor any of its management persons have any legal or disciplinary events that would be material to an investor's evaluation of the Adviser or the integrity of the Adviser's management.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer Registration Status**

The Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer. Certain investments made available by the Website Operator are offered through Growth Capital Services, a registered broker-dealer and member of FINRA and SIPC. Growth Capital Services is not an affiliate of the Advisor. Growth Capital Services receives compensation placement fees in connection with providing placement services. Such fees are either a flat fee covering all placements completed during a particular period or a percentage of the total capital placed in a particular investment or some combination thereof.

**B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

The Adviser and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

**C. Material Relationships or Arrangements with Industry Participants**

The Adviser and certain of its management persons and/or the Website Operator are affiliated with entities which sponsor, source or refer (or have sponsored, sourced or referred) investment opportunities to the Website and which may thereafter provide services to the Funds in connection with the Funds' investments.

In certain cases an Originator will retain its origination fee and the spread between what is paid by the asset and the agreed upon rate of return to be paid to the Fund, which Originator retains pari passu to its distributions to the Funds. The amount of this spread varies with each deal and is negotiated on a case by case basis and disclosed to investors in each Fund prior to their investment.

If the Adviser has a conflict of interest that is not otherwise covered by an existing policy adopted by the Adviser or a transaction is deemed to be a "principal transaction", the Adviser will disclose such conflict to the applicable client and obtain its consent to such conflict prior to completion of the transaction. Additionally, all such transactions shall be on the same terms as would be entered into with an affiliated third party on an arms-length basis.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

The Adviser generally does not recommend or select other investment advisers for the Funds.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

**A. Code of Ethics**

The Adviser's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code applies to the Adviser's and certain of its affiliates' employees, including "Access Persons". Access Persons include, generally, any partner, officer or director of and any employee or other supervised person of the Adviser who, in relation to the clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public.

The Code sets forth a standard of business conduct that takes into account the Adviser's status as a fiduciary and requires employees to place the interests of our clients above their own interests and the interests of the Adviser. The Code also requires employees to comply with applicable federal securities laws. The Code further sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Moreover, the Code seeks to ensure the protection of nonpublic information about the activities of our clients. Employees are required to promptly bring violations of the Code to the attention of the Adviser's Chief Compliance Officer (the "CCO").

The Adviser will provide a copy of the Code of Ethics to any Fund Investor, client or prospective Fund Investor or client upon request. The Adviser's personnel are required to certify to their compliance with the Code of Ethics on an annual basis.

**B. Securities in which the Adviser or a Related Person has a Material Financial Interest**

The Funds' investments may be sourced and funded through the Website and the Website Operator has a financial interest in growing the Website.

The Adviser and the Website Operator, along with members of the Board of Directors, advisors, shareholders and employees of the Website Operator may also invest in the Funds alongside other investors. Further, the Website Operator or ST NOTE Fund may from time to time make loans or capital contributions to a Fund so that the Fund may make an investment in advance of a sale of securities of the Funds to outside investors. Upon the sale of securities of such Funds to investors, such loans or capital contributions from the Website Operator or ST NOTE Fund may be repaid or redeemed, as applicable. The Website Operator or ST NOTE Fund holding such interest may be considered a conflict of interest where proceeds of investments in the Fund are to be used to repay such interest. The Website Operator or ST NOTE Fund would receive interest or other investment income for the time period in which it holds such loan or interest in the same amount and manner as an investor in the Fund.

**i. Principal Transactions and Cross Trading**

Section 206(3) of the Advisers Act places restrictions on the ability of an investment adviser to engage in principal transactions. The primary purpose for this restriction is to prevent an adviser from transferring unwanted securities to a client account. A principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client account. For instance, a principal transaction would arise if:

- A trade occurs between a client account and a proprietary account of the Adviser; or
- A trade occurs between two or more accounts in which, as the SEC staff has informally suggested, the Adviser, its affiliates, or its personnel hold, directly or indirectly, more than a 25% interest in any such account.

Section 206(3) of the Advisers Act requires an investment adviser, among other things, to provide written disclosure to a client and obtain the client's consent prior to settlement of any principal transaction.

A cross trade occurs where the Adviser causes the purchase or sale of securities between a Fund or other client account and another client account managed and/or advised by the Adviser, and neither account is a principal account. In circumstances where the Adviser desires to engage in a principal transaction or cross trade among its clients, the CCO must determine that such transaction is in the best interests of the clients and approve such transaction prior to its execution. Any principal transaction or cross transaction shall be executed at fair value, with any other terms and conditions mandated by the CCO.

### **C. Investing in Securities that the Adviser or a Related Person Recommends to Client**

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. The Adviser, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of clients; although the Code requires pre-clearance before employees of the Adviser and its affiliates can enter into personal securities transactions that involve a limited offering.

The Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that the Adviser and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

The Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee

transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

#### **D. Conflicts of Interest Created by Contemporaneous Trading**

It has generally been the Adviser's practice that all of the vehicles on the Website only transact in one or more investment, and such vehicles do not typically own economic interests in the same investment or investments as are held by other vehicles on the Website. However, under certain circumstances, certain Funds will have investment objectives or engage in activities similar to those of other Funds, and in some cases will own an economic interest in the same investments as may be held by such other Funds. The Adviser and its affiliates may give advice and take action in the performance of their duties to certain clients that could differ from the timing and nature of action taken with respect to other clients. To the extent that the Adviser or its affiliates fund, acquire or originate or recommend investments for their own accounts or for any of the Funds, the Adviser and its affiliates are under no obligation to transact in such investments for other clients. Clients will generally not have any rights of first refusal, co-investment or other rights in respect of the investments and other acquisitions or dispositions made by the Adviser or its affiliates for any other client, or in any fees, profits or other income earned or otherwise derived from them. If a determination is made that one or more clients should fund, acquire, or originate or sell the same investments at the same time, the Adviser will allocate these transactions in a fair and equitable manner, as determined by the Adviser in its sole discretion. In exercising such discretion, the Adviser may consider, among other considerations: (a) whether the risk-return profile of the proposed investments is consistent with the relevant clients' objectives, which objectives may be considered (i) solely in light of the specific investment under consideration, or (ii) in the context of the available capital; (b) potential tax consequences; (c) legal or regulatory restrictions; (d) the need to re-size risk; and (e) whether the relevant client has a substantial amount of investable cash (e.g., during a "ramp-up" period).

## **ITEM 12 BROKERAGE PRACTICES**

### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

As an investment adviser, the Adviser has a general fiduciary obligation to obtain best execution for clients, where applicable. Best execution is a regulatory concept that is neither precisely defined, nor the subject of specific or explicit regulatory guidelines about how it can be achieved. The SEC generally describes it as a duty to execute securities transactions so that a client's total cost or proceeds in each transaction are the most favorable under the circumstances. While the Adviser's advisory activities generally involve private investment transactions rather than transactions in securities traded on the public market, the Adviser has a fiduciary duty to ensure that transactions effected on behalf of its clients, including the Funds, are fair under the circumstances.

The Adviser does not execute transactions through any particular broker or dealer, but seeks to obtain the best net results for its clients, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While the Adviser will generally seek reasonably competitive trade execution costs, clients will not necessarily pay the lowest spread or commission available.

#### **i. Research and Other Soft Dollar Benefits**

As discussed above, the Adviser's advisory activities generally involve private investment transactions rather than transactions in securities traded on the public market. Nonetheless, subject to applicable legal requirements, the Adviser may select a broker based partly upon brokerage or research services provided to it and any clients. In return for such services, clients may pay a higher commission than other brokers would charge if the Adviser determines in good faith that such commission is reasonable in relation to the services provided.

The term "soft dollars" refers to the use of brokerage commissions, concessions, spreads, mark-ups, and mark-downs to pay for goods and services other than brokerage itself. Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") provides a safe harbor against claims of breach of fiduciary duty for investment advisers using commissions generated by customer orders to obtain brokerage and research services. While the Adviser's advisory activities generally involve private investment transactions rather than transactions in securities traded on the public market, to the extent that the Adviser utilizes the services of a broker to effect transactions in publicly traded securities, the CCO will, in consultation with outside counsel, determine the appropriate course of action to ensure that the Adviser follows the guidance set forth in Section 28(e) of the Exchange Act with respect to any soft dollar arrangements in which it enters on behalf of any client.

When the Adviser uses client brokerage commissions (or markups or markdowns) to obtain

research or other products or services, the Adviser receives a benefit because it does not have to produce or pay for such products or services. The Adviser may have an incentive to select or recommend a broker-dealer based on the Adviser's interest in receiving research or other products or services, rather than on its clients' interest in receiving most favorable execution.

**ii. Brokerage for Client Referrals**

Neither the Adviser nor any related person receives client referrals from any broker-dealer or third party.

**iii. Directed Brokerage**

The Adviser does not recommend, request or require that a client direct the Adviser to execute transactions through a specified broker-dealer.

**B. Order Aggregation**

As discussed above, the Adviser's advisory activities generally involve private investment transactions for a single client rather than transactions in securities traded on the public market. Therefore, the Adviser does not have a practice of aggregating orders for multiple clients. If the Adviser determines that the purchase or sale of a security is appropriate with regard to multiple clients, the Adviser may, but is not obligated to, purchase or sell such a security on behalf of such clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law.

### **ITEM 13 REVIEW OF ACCOUNTS**

The Adviser performs periodic reviews of each Fund's investments, generally on a monthly basis. Where monthly payments of principal or interest are due, such review generally consists of confirming receipt of such payment on a timely basis. Where a payment in respect of the Fund's investment is not expected, the Adviser generally seeks a status update from the borrower or Originator (or a related service provider such as an attorney) on a monthly or quarterly basis. Such reviews are generally conducted by a member of the Investments team.

A review of the Fund's accounts and investments may be triggered by any suspicious or unusual activity or special circumstances.

At any point in time, Fund Investors can review the performance status of their investments and distributions thereon, if any. From time to time, Fund Investors may receive updates, typically via email and in their portfolio activity feed, concerning the status of their investments and other developments that may be of interest. Unless otherwise required by applicable law, the Adviser generally shall provide to Fund Investors, typically in an electronic format, a statement of performance of each investor's interest in the Funds on at least a quarterly basis and tax information necessary for the completion of such investor's return on an annual basis. The Adviser may provide certain investors with information on a more frequent and detailed basis if agreed to by the Adviser.

The Adviser welcomes inquiries from investors in the event any investor desires information not contained in the Adviser's Form ADV Part 1, Form ADV Part 2 or other relevant materials or reports. The Adviser and the Website Operator generally seek to make their representatives available to answer questions from investors concerning them and any Fund, including with respect to the investments of a Fund. During those conversations and pursuant to any other agreements certain investors may receive information and reporting that other investors do not receive, and such information may affect an investor's decisions regarding the Fund.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

Other than as described herein, the Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services.

While the Adviser may enter into arrangements with third party placement agents or distributors to solicit investors for one or more current or future Funds, the Adviser has not entered into any such arrangements as of March 30, 2021. The Adviser may in the future enter into arrangements with third party placement agents or distributors to solicit investors for one or more current or future Funds and such arrangements will generally provide for the compensation of such persons for their services at the Adviser's expense.

The Adviser expects from time to time to run promotional campaigns to attract investors to open an account with the Website Operator. These promotions may include additional services or products offered on a limited basis to select investors, more favorable fee arrangements, cash rewards and/or reduced or waived advisory fees for investors, including the EquityMultiple Invitation Program pursuant to which investors may invite friends, family and others to open an account with the Website Operator. Neither the referree nor the referrer investor is under any obligation to invest in any Fund as part of the EquityMultiple Invitation Program, and may take such action at their sole discretion. The EquityMultiple Invitation Program is subject to the terms and conditions set forth on the Website.

These arrangements may create an incentive for existing investors to refer prospective investors to the Website Operator, even if the existing investors would otherwise not make the referral. Investors are not charged a fee nor do they incur any additional costs for being referred to the Website Operator by a current investor.

In addition, the Adviser and the Website Operator have certain advertising arrangements in which it pays bloggers and other Internet participants a flat fee per individual registration on the Website, regardless of whether such individual funds an account on the Website. Neither the Adviser nor the Website Operator is otherwise affiliated with such bloggers or Internet participants, and neither the Adviser nor the Website Operator exercise any editorial control over the content produced by such Internet participants. For the avoidance of doubt, such bloggers or Internet participants are not compensated based on an individual investing in any Fund.

From time to time the Adviser will offer a range of incentives and promotions to Fund Investors based on a number of factors including but not limited to: (i) whether an offering has not been fully allocated and remains open after a certain amount of time, (ii) an investor's investment exceeding a certain amount and (iii) an investor making an investment for the first time. Fund Investors who have received or will receive these incentives or promotions may invest in an offering regardless of whether such promotions or incentives were available to all investors at the time of their investment in such offering.

## **ITEM 15 CUSTODY**

Rule 206(4)-2 promulgated under the Advisers Act (the “Custody Rule”) (and certain related rules and regulations under the Advisers Act) 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 Adviser is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a qualified custodian. Qualified custodians include banks, brokers, futures commission merchants and certain foreign financial institutions.

The Custody Rule currently requires (1) the funds and securities over which a registered investor adviser has custody to be maintained in segregated and identified accounts (Segregation) by a “qualified custodian,” which is a bank or broker-dealer and certain other extensively regulated entities (Qualified Custodian); (2) that the registered investor adviser notify the client in writing of the name and address and other identifying information about the qualified custodian and any subsequent changes to any identifying information (and if the registered investor adviser sends account statements to the client, advise the client to reconcile those statements with the statements provided by the qualified custodian) (Notice); (3) that the registered investor adviser have reasonable basis, after due inquiry, for believing that the qualified custodian sends to the clients at least quarterly a statement with period-end positions and a listing of all transactions occurring during the period (Quarterly Statements); and (4) an annual surprise examination of the custodied funds and securities, done by an independent accountant (Annual Surprise Exam), who is then required to file a Form ADV-E with the SEC.

However, an adviser need not comply with such requirements with respect to pooled investment vehicles subject to audit and delivery if each 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 their investors, all limited partners, members or other beneficial owners within 120 days (180 days in the applicable case of a fund of fund adviser) of its fiscal year-end. The Adviser relies upon this audit and delivery exception with respect to the Funds.

Further, all funds shall be held in an account in the name of each respective Fund at a qualified custodian.

## **ITEM 16**

### **INVESTMENT DISCRETION**

The Adviser has been appointed as the investment manager of the SPVs with limited-discretionary investment authority as set forth in the Operating Agreement for each SPV. The Adviser has discretionary authority with respect to decisions regarding the monitoring, management and disposition of the existing investment held by each SPV in accordance with such SPV's investment guidelines. The Adviser does not generally have the authority to execute or enter into any new or substitute investments on behalf of the SPV, except in cases of merger or consolidation, bankruptcy or insolvency or exchange or conversion of existing investments.

The Adviser, however, has been appointed as investment manager of other Funds with discretionary investment authority. Our investment decisions with respect to such Funds are subject to each Fund's investment objectives and guidelines, as set forth in its Offering Documents, and may be subject to the oversight of a board of directors. The Adviser or an affiliate of the Adviser entered into an investment management agreement, operating agreement, or similar agreement, with each such Fund, pursuant to which the Adviser or an affiliate of the Adviser was granted discretionary investment authority.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

As an investment adviser registered under the Advisers Act, the Adviser has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, it recognizes that it must vote client securities in a timely manner free of conflicts of interest and in the best interests of its clients. The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, the Adviser has adopted proxy voting policies and procedures (the “Proxy Policies”).

The Adviser is committed to voting proxies in a manner consistent with the best interests of its clients. We will review on a case-by-case basis each proposal submitted for a stockholder vote to determine its impact on the portfolio securities held by our clients. The Adviser will consider only those factors that relate to the Funds’ investment, including how its vote will economically impact (short-term and long-term) and otherwise affect the value of the Funds’ investment. Although the Adviser will generally vote against proposals that may have a negative impact on its clients’ portfolio securities, it may vote for such a proposal if there exists compelling long-term reasons to do so. While the decision whether or not to vote a proxy must be made on a case-by-case basis, the Adviser generally does not vote a proxy if it believes the proposal is not adverse to the best interest of the relevant client, or, if adverse, the outcome of the vote is not in doubt.

The proxy voting decisions of the Adviser are made by the senior officers who are responsible for monitoring each of its clients’ investments. To ensure that its vote is not the product of a conflict of interest, it will require that anyone involved in the decision-making process disclose to the CCO any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote. If an actual or potential conflict is found to exist, the Adviser shall engage a reputable non-interested party to independently review the Adviser’s vote recommendation and to confirm that the Adviser’s vote recommendation is in the best interest of the relevant clients under the circumstances. If the independent non-interested party determines that the Adviser’s vote recommendation is not in the best interest of the clients under the circumstances, then the Adviser shall vote in the manner suggested by such independent non-interested party. With respect to the Funds, an advisory committee may serve in the capacity as the reputable non-interested party and conduct the review described above, so long as no member of the advisory committee that participates in such review is subject to the actual or potential conflict.

A copy of the Proxy Policies and the proxy voting record relating to a client may be obtained by contacting the Adviser.

**ITEM 18**  
**FINANCIAL INFORMATION**

The Adviser is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Funds or clients. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.