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Regan Capital, LLC

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This brochure provides information about the qualifications and business practices of Regan Capital, LLC. If you have any questions about the contents of this brochure, please contact us on 214 550 1710. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Regan Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since our last annual update dated March 2022, Regan Capital, LLC has changed its principal place of business to 300 Crescent Court, Suite 1760, Dallas TX 75201 and, through a subsidiary entity, acquired a minority interest in NFTYDoor, LLC, an originator of home loans.

There have been no other material changes to the business.

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Item 4 – Advisory Business

Principal Owners and Background

Regan Capital, LLC (the "Adviser," "our" or "we") is a Delaware Limited Liability Company founded in 2011 that has its principal place of business in Dallas, Texas. Regan Capital, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended.

The Adviser currently provides investment advisory services to privately offered pooled investment funds, including the Regan Credit Offshore Operating Fund LP, Regan Credit Opportunities Fund, LP, Regan Credit Opportunities Fund International, Ltd., Regan Enhanced Credit Offshore Operating Fund, Regan Enhanced Credit Opportunities Fund LP, Regan Enhanced Credit Opportunities Fund International, Ltd (together the "Credit Opportunities Funds") and the Regan Special Opportunities Fund, LP and Regan Special Opportunities Fund II, LP (the "Special Opportunities Funds").

The Adviser also manages the Regan Total Return Income Fund (the "Mutual Fund") and separately managed accounts ("SMAs" or "SMA Clients").

The Credit Opportunities Funds and the Special Opportunities Funds are collectively referred to as the "Funds," and the Funds, any co-investment vehicles, the Mutual Fund, and the SMAs are collectively referred to as "Clients." The Adviser may, at its own discretion, provide investment advisory services to additional Clients.

The Adviser is owned and controlled by Skyler Weinand (the "Principal").

Types of Advisory Services

The Advisor has broad investment discretion with respect to investment decisions that it makes for the Funds and the Mutual Fund. The advisory services are pursuant to the investment management agreements and the Adviser does not tailor its advisory services to the needs of the individual investors. Investors may not impose restrictions on the securities or types of securities in which the Funds invest.

For the SMA Clients, the Adviser allows certain tailoring and restrictions for individual Clients' specific preferences and objectives, set at the opening of the account and reviewed annually.

Assets Under Management

As of December 31, 2022, the Adviser had approximately $793,596,000 of discretionary Regulatory Assets Under Management. The Adviser does not manage assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Our Compensation

The Adviser does not have a general fee schedule. The fees and expenses associated with an investment in the Funds vary, depending on the Fund. Each Fund's offering documents describe the terms for fees and expenses. The Adviser may, in its discretion, manage other funds or accounts with higher or lower fee arrangements, different fee structures and different expense payment arrangements than those of the Funds. The Adviser deducts an annual management fee (the "Management Fee"), which generally ranges from one percent (1%) to one and one-half percent (1.5%) of the net asset value of each investor's interest in such Funds. The Adviser may reduce or eliminate the Management Fee applicable to any investor in its sole discretion. The Credit

Opportunities Funds generally pay the Management Fee at the feeder funds level quarterly in advance. The Special Opportunities Funds pay the Management Fee quarterly in advance on unreturned capital contributions. Co-investment vehicles may pay fees on a different schedule, i.e., monthly.

The SMA Client pays the Adviser a Management Fee, the amount of which is negotiable and invoiced by the Adviser.

Additionally, with respect to the Credit Opportunities Funds, one or more affiliates of the Adviser will generally receive an annual performance-based allocation (the "Performance Allocation") of twenty percent (20%) of each investor's allocable share of net profits for the fiscal year of each Fund. In each case, the Performance Allocation is subject to a high-water mark. The Performance Allocation may be waived or reduced by the Adviser in its sole discretion. Investors in the Special Opportunities Funds will also be subject to a performance-based fee (the "Carried Interest") of fifteen percent (15%) on distributable realized profits. Details of the Carried Interest distributions are set out in the Special Opportunities Funds' Limited Partnership Agreements.

The Adviser or one or more of its affiliates will generally receive a performance-based fee from SMAs. The terms and calculation for these performance-based fees can vary depending upon the agreement in place with each account owner.

Fees are negotiable and the Adviser has discretion to waive or otherwise modify fees with respect to any investor, including affiliates of the Adviser.

As described above, Management Fees are based on the net asset value of each Fund and SMA and performance-based fees, including the Performance Allocation, are based on the increase in the net asset value of our Client's accounts, including unrealized gains on securities held in those accounts. These valuations are in turn based on the valuation of the securities held in those accounts, which will include over the counter securities which are difficult to value. The Adviser is responsible for determining the value of each security in the Funds. We may have an incentive to value these securities at a higher price than could be achieved in the market to increase our fees. To manage and mitigate this conflict of interest, the Adviser follows a valuation policy that we feel is fair and equitable to our Clients and the investors in our Funds. Our valuation policy is available to our Clients and investors upon request.

The Adviser is paid a management fee of .89% for advising the Mutual Fund.

How we collect fees

The Management Fee is payable by the Funds in accordance with the terms of each Fund's governing documents. The Performance Allocation is credited to the capital account of the Fund's General Partner and one or more other affiliates of the Adviser as of the close of each performance period.

For the majority of the SMAs, the Management Fees are generally invoiced and paid in advance. If there is an early termination of a management agreement, any Management Fees collected in advance will be returned subject to the provisions of each SMAs advisory agreements. For certain accounts, the Management Fee is paid in arrears. In both cases, the Adviser will send the SMA Client an invoice with the Advisor's calculation of the Management Fee for the Client's review and payment. For SMAs that are charged a performance-based fee, the fee will be deducted from the account after obtaining the Client's approval and instruction, then subsequently paid to the Adviser as of the close of each performance period.

The net asset value ("NAV") of the Mutual Fund is calculated daily and includes all fees and expenses.

Other fees or expenses

Generally, the Funds will bear all Fund expenses as defined in each Fund's private placement memorandum. Funds bear the expenses of the organization of the Fund and the offering of interests (including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses). The Funds also bears all out-of-pocket costs of their, investments, operation, including accounting, audit, fund administration, tax, legal and certain regulatory expenses, costs of any litigation or investigation involving the Fund's activities, technology and costs associated with reporting and providing information to existing and prospective investors of the Fund. In limited circumstances, the General Partner of a Fund may, in its sole discretion, choose to absorb certain expenses incurred on behalf of a Fund.

The Adviser will allocate direct expenses of the Funds that are incurred on behalf of multiple Funds fairly among the applicable Funds, in accordance with expense allocation policies established by the Adviser. We believe these allocation policies to be fair and equitable; however, other reasonable options may exist that may yield different results.

For a more complete discussion of each Fund's fees and expenses, please refer to each Fund's private placement memorandum and, or the Fund's Limited Partnership Agreement.

Each Client bears all costs and expenses related to its investment program, including expenses related to proxies, underwriting and private placements, research expenses, surveys, subscriptions, studies, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on that Client.

Additionally, any SMA will bear its own operating expenses as set forth in the SMA's respective management agreement.

The Mutual Fund, and its underlying investors, will bear expenses as set forth in the Statement of Additional Information. These fees include: expenses incurred in connection with the issuance, registration and transfer of its shares; brokerage and commission expenses; all expenses of transfer, receipt, safekeeping, servicing and accounting for the cash, securities and other property of the Trust for the benefit of the Fund including all fees and expenses of its custodian and accounting services agent; interest charges on any borrowings; costs and expenses of pricing and calculating its daily NAV.

See Item 12 of this brochure for more information on our brokerage practices.

Advance Payment

Management Fees are generally payable in advance for the quarter, but some SMAs may pay management fees in arrears. If permitted by the Client's agreement with the Adviser, Clients redeeming intra-quarter will only be charged Management Fees for the portion of the quarter for which they were an investor or Client of the Adviser.

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

As referenced above in Item 5, the Adviser or one or more of its affiliates is entitled to a Performance Allocation from the Funds. The use of performance-based compensation generally may create an incentive for us to choose an investment strategy that may carry a higher degree of risk to the Clients. In addition, we manage portfolios for Clients that are not charged a performance based fee, therefore, we may have an incentive to favor Client accounts which have a performance-based fee by allocating investments to those Clients accounts. The Adviser has developed procedures designed

and implemented to ensure that all Clients are treated fairly and equally, and to prevent conflicts from influencing the allocation of investment opportunities among Clients.

The Adviser has discretion to waive or otherwise modify fees with respect to any investor, including affiliates of the Adviser.

For a more complete discussion of the fees and compensation, please refer to each Client's Private Placement Memorandum, Limited Partnership Agreement or SMA agreement.

Item 7 – Types of Clients

The Adviser provides portfolio management services primarily for the Funds, high net worth individuals and institutions through SMAs, and retail investors in the Mutual Fund.

The minimum initial investment required to invest in the Funds varies with $1,000,000 required for the Credit Opportunities Funds and $250,000 for the Special Opportunities Funds, though lesser amounts may be accepted at the sole discretion of the Fund's General Partner. Each underlying investor or Client will only be charged a performance allocation if a "qualified client" under the definition in Rule 205-3 of the Investment Advisers Act of 1940. Generally speaking, qualified clients include 1) a person or company with at least $1,100,000 under management with the Adviser; 2) a person or company with a net worth of $2,200,000, excluding the person's residence, or an investor that is a qualified purchaser as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940 ("Qualified Purchaser"); and 3) certain key employees of the Adviser.

Funds are only open to investors who qualify as Qualified Purchasers.

The Adviser currently requires a minimum of $20 million to open an SMA, though lesser amounts may be accepted at the sole discretion of the Adviser.

Mutual Fund investors have a minimum initial investment of $1,000 if in the investor class and $100,000 if in the institutional class.

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

Analysis and Strategies

The SMAs invest primarily in residential mortgage backed securities ("RMBS"). The Credit Opportunities Funds have a broader investment strategy and will invest in a variety of fixed income securities including but not limited to RMBS, Municipal Bonds, commercial mortgage backed securities ("CMBS"), Bridge Loans, Debt investments secured on Real Estate, and SBA Loans, in addition to RMBS. The Credit Opportunities Funds may also invest in exchange traded funds ("ETFs") and other closed end funds. Furthermore, the Credit Opportunities Funds have the ability to employ leverage and invest in derivative instruments at the discretion of the Adviser. The SMAs generally do not use leverage.

The Special Opportunities Funds have broader investment mandates, which include but are not limited to, investing in limited partnership interests in other private investment funds, Commercial and Residential Real Estate debt and equity and debt interests in private companies, Consumer and Small Business-related Debt. These investments are more illiquid in nature. Where opportunities arise with excess capacity, the Adviser may structure co-investment vehicles for additional participation.

The Adviser seeks to achieve its investment objective for the Funds and SMAs primarily through

capitalizing on out-of- favor, analysis-intensive securities. The Adviser will focus on investments that have large margins of safety as a function of price paid versus future expected cash-flows. Positive absolute returns will seek to be generated via the use of high current income and defined appreciation catalysts.

The Mutual Fund aims to invest approximately 80% of its net assets in mortgage backed securities ("MBS"). The Mutual Fund may invest in other fixed-income securities, including, but not limited to, commercial mortgage backed securities ("CMBS"), asset backed securities (including securities backed by consumer credit, auto loans, and aircraft leases), senior tranche collateralized loan obligations ("CLOs"), and securities of other fixed-income investment companies (including closed-end funds and ETFs).

The Adviser employs industry-standard analytical and research tools, such as Bloomberg and Intex to analyze individual investments.

Material Risks

General Risks

Potential Loss of Investment. An investment in the Funds or the SMAs involves a high degree of risk which Clients should be prepared to bear. There can be no assurance that the Adviser's investment objectives will be achieved or that Clients will not lose all or substantially all of their investment. The accounts managed by the Adviser are not a complete investment program and should represent only a portion of an investor's portfolio management strategy. Alternative investment strategies are subject to significant risks to which traditional investments are not.

Past Performance not indicative of future results. The past performance of the Funds is not necessarily indicative of the Funds' future results. There can be no assurance that the Clients will achieve their objectives or avoid substantial losses.

Competition. The Adviser competes with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, many of which have substantially greater resources. The amount of capital committed to "alternative investment strategies" has increased dramatically during recent years. The profit potential of our Clients may be materially reduced as a result of the increased competition within the alternative investment field.

Cybersecurity. The Adviser, the Clients, and third-party service providers are all subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology and processes designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks, as well as unintentional damage or interruption that can result from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons, and security breaches. A cybersecurity breach could expose the Adviser and Clients to substantial costs, including, without limitation, the costs associated with forensic analysis of the origin and scope of the breach and increased and upgraded cybersecurity services. A breach could also subject the Adviser to identity theft concerns, unauthorized access to and use of proprietary information, litigation, the dissemination of confidential and proprietary information, reputational damage, civil liability, and regulatory inquiry and/or action.

Reliance on the Adviser. The Funds have no employees. The Funds must rely on the Advisers' management and the administrative services provided by vendors appointed by the Adviser on behalf of the Funds or SMAs. As such, the performance of the Funds and the SMAs depends to a large degree on the efforts of the individuals employed by the Adviser. Any circumstances which might result in diminution of service levels provided to the Clients by the Adviser could materially affect the performance of the Funds or SMAs.

There are no limitations on the ability of the Adviser to form or manage other Funds of any nature whatsoever. Moreover, there are no limitations on the ability of the Adviser to engage in other business or investment activities, whether related or unrelated to the Funds.

Public Health *Emergencies and Pandemics, such as COVID-19*. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as COVID-19, have impacted market volatility. Future pandemics and public health emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Adviser's clients. In addition, governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy of the Adviser and Client investment objectives. In addition, the operations of the Adviser itself may be significantly impacted, or even temporarily halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency. Similar disruptions may occur in respect of the Adviser's service providers and counterparties, which could also negatively impact the clients.

Risks Relating to the Clients' Strategies

Investment Due Diligence and Research; Reliance on Corporate Management and Financial Reporting. In certain instances, due diligence information available to the Adviser at the time of an investment decision may be limited and the Adviser may have neither access to adequately granular information nor adequate time to analyze the information necessary for a complete evaluation of the investment opportunity. It is also possible that the due diligence and research conducted may not reveal all the relevant facts and information that may be necessary to evaluate such investment opportunity. In the worst-case scenario, information may be manipulated or fraudulent. Clients could incur material losses as a result of the misconduct or incompetence of such individuals and/or a substantial inaccuracy in such information.

Availability of Investment Opportunities. There can be no assurance that the Adviser will be able to find suitable opportunities consistent with its investment approach. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying Client's capital and may negatively impact Client's returns.

Risks Relating to Portfolio Investments

Concentration. The risk that the performance of a Client's account could be adversely affected by losses on the fixed-income investments may be increased to the extent that the Client's portfolio is concentrated in any one issuer, industry, region or country. A Client account may also have disproportionate exposure to certain types of fixed-income investments. Investments in unrated fixed income instruments in which the Clients may invest, while generally providing greater opportunity for gain and income than investments in higher rated instruments, usually entail greater risk. The Adviser has no specified diversification policies as to the percentage of a Client's assets that may be invested in any particular security. A Client's portfolio may also consist of substantially fewer portfolio investments than anticipated if the Adviser is unable to identify or execute on appropriate opportunities.

Illiquid Investments. The Adviser expects to invest Client accounts in certain investments that do not have a significant secondary market. Due to the illiquid nature of many of the positions, as well as the uncertainty of the success of their issuers, the Adviser is unable to predict with confidence what the exit strategy will ultimately be for any given portfolio investment, or that one will definitely be available.

Specific fixed-income security risks. Fixed-income securities are subject to certain risks, including:

Issuer Risk. The value of fixed-income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage, and reduced demand for the issuer's goods and services.

Interest Rate Risk. When market interest rates rise, the market value of fixed income securities generally will fall. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected prepayments. This may lock in a below-market yield, increase the security's duration and reduce the value of the security. Investments in debt securities with long-term maturities may experience significant price declines if long-term interest rates increase. Since the magnitude of fluctuations will generally be greater at times when a portfolio's average maturity is longer, under certain market conditions the Adviser may, for temporary defensive purposes, accept lower current income from short-term investments rather than investing in higher yielding long-term securities.

Prepayment Risk. During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Adviser to reinvest the proceeds from such prepayment in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Reinvestment Risk. Reinvestment risk is the risk that income from a portfolio will decline if the Adviser invests the proceeds from matured, traded or called bonds at market interest rates that are below the portfolio's current earnings rate.

Valuation Risks. Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for fixed-income securities trading. Fixed-income securities generally trade on an "over-the-counter" market which may be anywhere in the world where buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of fixed-income securities may carry more risk than that of common stock. The Adviser is responsible for determining the valuation of securities held in Client accounts. As valuation will affect the fees earned by the Adviser, and performance reporting, the Adviser may have an incentive to mark securities at a higher valuation. In addition, uncertainties in the conditions of the financial market, unreliable reference data, limited market data available for pricing odd-lot securities, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. As a result, a portfolio may be subject to the risk that when a security is sold in the market, the amount received by the Client is less than the value of such security carried by the Client.

Asset-backed securities. The fixed income securities in which the Adviser invests may include asset-backed securities, which represent direct or indirect participations in, or are secured by and payable from, pools of assets such as, among other things, debt securities, residential mortgages, commercial mortgages, corporate loans, motor vehicle installment sales contracts, installment loan contracts, leases of various types of real and personal property, and receivables from revolving credit (credit card) agreements or a combination of the foregoing. Payment of interest and repayment of principal on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. Asset-backed security values may also be affected if the market for the securities becomes illiquid, there is difficulty valuing the underlying pool of assets or because of changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities providing the credit enhancement.

Non Investment Grade Securities. Certain of the fixed income securities in which the Adviser

invests may be unrated by a recognized credit-rating agency or below investment grade, and as a result may be subject to greater risk of loss of principal and interest than higher-rated debt securities. The Adviser may invest Client accounts in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Adviser may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Client portfolios will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Distressed and Bankrupt Companies. The Adviser may invest Client accounts in securities, claims, and obligations of issuers which are experiencing (or may come to experience) significant financial or business difficulties. The Adviser is expected to invest in distressed securities and instruments (or securities and instruments that become distressed) of all kinds, none of which are publicly traded. In some cases, debt instruments purchased by the Adviser will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. Distressed securities and obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to an investment in any instrument, and a significant portion of the obligations and securities in which the Adviser invests Client portfolios are expected to be less than investment grade. The level of analytical skill, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing a portfolio's loans or the prospects for a successful reorganization or similar action.

Bank Loan Assignments and Participations. In addition to the risks associated with a default by the borrowers, risks associated with these obligations include, without limitation, the following: (i) there may be an inadequate perfection of a loan's security interest; (ii) the possible invalidation or compromise of an investment transaction as a fraudulent conveyance or preference under relevant creditors' rights laws; (iii) lender liability claims by the issuer of the bank loan obligations; (iv) the validity and seniority of bank claims and guarantees; (v) depreciation in value and environmental (or other) liabilities that may arise with respect to collateral securing the obligations; (vi) adverse consequences resulting from participating in such instruments through or with other institutions with lower credit quality; (vii) limitations on the ability of the Adviser to directly enforce a Client's rights with respect to loans held via participation; (viii) increased counterparty risk due to uncertainty in the length of settlement periods; and (ix) conflicts of interest between and among Clients, the Adviser, the agents on such loans and other lenders that may compromise a Client's ultimate recovery.

Clients may acquire interests in loans either directly, by way of assignment or indirectly, for example, by way of participation. In the case of a participation, the Client would have the right to receive payments of principal, interest, and any fees to which it is entitled under the participation only from the selling institution and only upon receipt by the selling institution of such payments from the obligor. The Client may have to assume the credit risk of both the obligor and the selling institution. In addition, when the Client holds a participation in a debt obligation, the Client may not have the right to vote to waive enforcement of any default by an obligor. Selling institutions commonly reserve the right to administer the debt obligations sold by them as they see fit and to

amend the documentation evidencing such debt obligations in all respects.

A selling institution voting in connection with a potential waiver of a default by an obligor may have interests different from those of the Client, and the selling institution might not consider the interests of the Funds in connection with its vote.

Equitable Subordination. Under common law principles that sometimes form the basis for lender liability claims, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors. The Adviser does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine. However, the Funds may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Private Debt. Private debt obligations are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Private debt obligations are typically issued in traditional private placements or in connection with acquisitions and other business combinations and have no trading market. Moreover, private debt obligations may be unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high-yield debt obligations. Adverse changes in the financial condition of the issuer of private debt obligations, or in general economic conditions, or both may impair the ability of the obligor to make payment of principal and interest. Issuers of private debt obligations may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

Participation on Creditors' Committees May Expose Clients to Other Sources of Liability. The Adviser may participate in committees formed by creditors on behalf of Clients to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Adviser may seek to negotiate directly with the debtors with respect to restructuring issues. By participating on such committees, the Adviser may be deemed to have duties to other creditors represented by the committees, which might thereby expose Clients to liability to such other creditors who disagree with the Adviser's actions.

Mortgage-Backed Securities Risk. When interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the Clients. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Additionally, the liquidity of noninvestment grade securities and sub-prime mortgage securities can change dramatically over time.

Collateralized Loan Obligations Risk. The risk associated with investing in a CLO correlates to the risk in the underlying product, including high-yield risk, interest rate risk, liquidity risk, and the risk of default. In addition to the risks associated with the underlying security, CLOs also include the risk that the distributions from the collateral may not adequately cover interest or principal payments, the quality of the CLO may decline or default, or the class of CLO may be subordinate to other classes.

Illiquidity. The investments made by the Funds or SMAs may be very illiquid, and consequently the Clients may not be able to sell such investments at prices that reflect the General Partner's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the Clients and other factors. Furthermore, the nature of the Fund's or SMAs investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Limited Hedging. The Adviser does not, in general, attempt to hedge all of the risks of Client positions, but may only hedge foreign exchange risks and interest risks, and may only hedge such risks partially. Various directional market risks in a Client's portfolio will often remain entirely unhedged. Furthermore, the Adviser may choose to use dynamic hedging approaches which may ultimately fail to achieve the intended risk mitigation if the market experiences rapid changes in price, volatility or illiquidity. Such hedging decisions, if they fail to achieve the intended risk mitigation or fail to adequately mitigate the level of intended risk, could have a material adverse effect on the performance of the Funds or SMAs.

Leverage. The Adviser may use leverage for the Funds. The use of leverage provides exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested. The Adviser will generally attempt to limit leverage as a whole to less than one times equity, aside from with RECOF, which may reach four (4) times equity, but there can be no assurance that it will be able to do so. Leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by a Fund, which may subject the Fund to substantial risk of loss. In addition, regardless of the price movements of a Fund's investments, the Fund will incur borrowing expenses whenever it uses leverage (such as fees, commissions, interest and taxes), which will reduce the return to the investors in the Fund.

Short Sales. The Funds may enter into transactions, known as "short sales," in which a Fund sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by a Fund that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. A Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, a Fund might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Currency Exchange Exposure and Currency Hedging. Although Client accounts will be denominated in U.S. Dollars, a Client's investments may be made in non U.S. currencies. The Adviser will generally seek to hedge (in whole or in part) investments denominated in non U.S. currencies to attempt to minimize the effect of fluctuations in the exchange rate with U.S. Dollars. As it is impossible to predict the future performance of the U.S. Dollar and any applicable non U.S. currency, it is likely that investments will always be over- or under-hedged against currency rate exchange risks. In addition, the Adviser may choose not to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

Market-Related Risks

Market Risks in General. The Adviser's strategies are subject to some dimension of market risk, including, but not limited to, changes in the regulatory environment, "flights to quality," and "credit squeezes." The particular or general types of market conditions in which a Client portfolio may incur losses or experience unexpected performance volatility cannot be predicted, and the portfolio may materially underperform other investment funds with substantially similar investment objectives

and approaches.

Reliance on Key Personnel. The investment operations of the Adviser are substantially dependent upon the skill, judgment and expertise of Mr. Weinand. The death, disability or other unavailability of Mr. Weinand could be material and adverse to Clients.

Certain Risks Related to the Funds' Structure

Limited Ability to Liquidate an Investment in the Interests. An investment in the Funds is illiquid. The interests the Funds offered have not been registered under the securities laws of any jurisdiction and are subject to restrictions on transfer. Interests are not transferable except with the prior written consent of the Adviser. There is no market for the interests in the Funds and none is expected to develop. While investors have the ability to withdraw from the Funds upon written notice as provided in each such Fund's governing documents, such withdrawals may be restricted by such Fund's General Partner and may be subject to early withdrawal fees.

Possible Indemnification Obligations. The Funds are generally obligated to indemnify the Adviser and its representatives and possibly other parties against any liability they or their respective affiliates may incur in connection with their relationship with the Fund.

For a more complete discussion of risks applicable to an investment in the Funds, please refer to the Funds' Private Placement Memorandum.

Item 9 – Disciplinary Information

The Adviser has no legal or disciplinary events that are material to your evaluation of this advisory business or to the integrity of our management to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Broker-Dealer Registration

Neither the Adviser, nor its management persons, is registered as a broker-dealer or registered representative of a broker-dealer, nor do either have any pending application to register.

However, certain supervised persons and related sales personnel of the Adviser may be associated with Quasar Distributors, LLC ("Quasar") and Foreside Fund Services LLC ("Foreside"), an unaffiliated, limited purpose, FINRA member broker- dealer, and in that capacity may engage in marketing, selling or supervisory activities with respect to shares in the Mutual Fund. Supervised persons and related sales personnel may be compensated for successful marketing with respect to shares in the Mutual Fund.

Futures and Commodities Registration

Neither the Adviser nor its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated party of any of those, nor does either have any pending application to register as such.

Related Persons

Neither the Adviser nor its management persons have any relationships that are material to the Adviser's advisory business or to the Adviser's Clients with any related person listed below:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;

2. investment company or other pooled investment vehicle (including mutual funds, closed-end investment company, unit investment trust, private investment company or "hedge funds," and offshore funds);
3. other investment adviser or financial planner;
4. futures commission merchant, commodity pool operator, or commodity trading advisor;
5. banking or thrift institution;
6. accountant or accounting firm;
7. lawyer or law firm;
8. insurance company or agency;
9. pension consultant;
10. real estate broker or dealer; or
11. sponsor or syndicator of limited partnerships.

Other Financial Industry Related Activities

The Principal and Chief Compliance Officer each hold a minority interest in an Illinois based community bank, Camp Grove State Bank, and serve as board members. The bank is a separate business and does not create any material conflicts with the Adviser's clients.

Conflicts of Interest

Through a subsidiary entity, the Adviser owns a minority interest in NFTYDoor, LLC ("NFTYDoor") an originator of home loans. Certain Funds advised by Regan have and will acquire loans originated by the platform. As part of the Funds ownership of these loans, NFTYDoor will manage and provide services for the loans. NFTYDoor will collect a fee for these services including origination fees, servicing fees and other fees that will be collected out of the payments from the borrowers, thus reducing the amount of revenue received by the Funds. This is a conflict of interest as the Adviser owns a minority interest in NFTYDoor and will benefit from the payments made to NFTYDoor. The Principal and Chief Compliance Officer may serve on the board of NFTYDoor or in a governance capacity.

The Adviser also has no other business relationships with any other third party that could create any material conflict of interest.

The investment activities conducted by the Adviser on behalf of any of its Client accounts may be directly or indirectly competitive with the interests of other Client accounts, and conflicts may arise concerning the allocation of investment opportunities among Client accounts. The Adviser has a fiduciary duty to exercise diligence and care in appropriately allocating investments among its Client accounts. To that end, the Adviser has adopted detailed investment allocation procedures that take into account each Client's investment objective and strategy that are set forth in its trading and allocation policy (the "Trading and Allocation Policy"). To ensure that investments are appropriately allocated in a manner consistent with the Adviser's fiduciary duty to treat each account in a fair and equitable manner, the Adviser will allocate investment opportunities consistent with the procedures documented in the Adviser's Trading and Allocation Policy. A copy of the Adviser's Trading and Allocation Policy is available to Clients and investors upon request.

While advisory agreements between the Adviser and/or its affiliates and the Clients also require the Adviser and its affiliates to act in a manner that it considers fair, reasonable and equitable in

allocating investment opportunities to the Client accounts, such advisory agreements do not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to any Client account. For example, Adviser professionals are not obligated to devote any specific amount of time to the affairs of a Client, and the Adviser and its affiliates are not required to accord exclusivity or priority to a Client in the event of limited investment opportunities.

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

The Adviser has a fiduciary responsibility to treat Clients fairly and avoid actual or potential conflicts of interest. The employees of the Adviser have an obligation to act solely in the best interests of Clients, and to make full and fair disclosure of all material facts, particularly where the Clients' interests may conflict with the interests of the Adviser or its employees.

Code of Ethics

The Advisor has adopted a Code of Ethics that complies with Rule 204A-1 under the Investment Advisers Act of 1940 in furtherance of its commitment to compliance with applicable laws and standards of business conduct We will provide you with a copy of our Code of Ethics upon request.

The Code of Ethics contains a policy designed to prevent the misuse of nonpublic information.

Personal Securities Investing

Eligible employees of the Advisor are encouraged to invest in the Funds alongside our Clients to align our interests. The Adviser's staff may invest in other securities for their personal account subject to the Adviser's personal trading polices which are detailed in the Adviser's Code of Ethics.

Item 12 – Brokerage Practices

Selecting and Recommending Broker-Dealers

As part of its fiduciary duty to its Clients, the Adviser has an obligation to seek best price and execution for all trades, to trade assets in a manner that is fair to all Clients, and to exercise diligence and care throughout the trading process.

The Adviser has adopted policies and procedures (the "Trading and Allocation Policy") to ensure that it will place Client transactions with appropriate care and diligence, seek best execution, treat all Clients fairly, and disclose all material conflicts of interest. A copy of the Trading and Allocation Policy is available to all Clients and all investors in the Funds upon request.

The Adviser primarily trades bonds for its Clients that are purchased and sold by a single broker through a competitive bid process ("Bids Wanted in Competition" or "BWIC"). When the Adviser is purchasing bonds through BWIC, the Adviser has the ability to choose which broker to use to submit its bid, but when the Adviser is selling bonds through the BWIC process it receives bids from multiple brokers and will take the highest bid regardless of the broker. The Adviser cannot determine or negotiate the commission because it is built into both the bid and ask prices it receives from brokers.

The Adviser may also trade bonds through a "reverse inquiry" process where a broker will make an inquiry as to whether a bond is for sale. In this case, if the Adviser is selling a bond, it cannot choose the broker, and cannot determine or negotiate the amount of commission. The Adviser may also use the reverse inquiry process to purchase bonds, in which case it does choose the broker who will

submit a bid for the Adviser, but the Adviser cannot determine the commission.

In selecting a broker, the Adviser looks at the following factors: 1) the expertise and execution history of the broker with a certain type of security and 2) the relationship of the broker with counterparties trading a certain type of bond.

The Chief Compliance Officer and the Principal will review brokerage relationships as part of a best execution review.

The Adviser also trades closed-end funds and ETFs on behalf of Clients. Our portfolio managers communicate orders in these securities to the executing counterparty primarily via Bloomberg. Generally, the Adviser will choose brokers for equity trades based on their expertise in brokerage of closed-end funds and ETFs. In the case of equity securities, the Adviser can negotiate commissions.

Research and Other Soft Dollar Benefits

The Adviser does not use soft dollars generated by commissions from Client accounts to pay for research or brokerage products and services or "pay up" on Client transactions in order to receive such services.

Brokerage for Client Referrals

The Adviser receives Client referrals from broker-dealers; however, the Adviser does not consider whether it receives Client referrals when selecting a broker-dealer.

Directed Brokerage

The Adviser does not allow its Clients to direct brokerage.

Aggregation and Allocation of Orders

The Adviser generally seeks to aggregate Client trades when such aggregation is expected to be in the best interest of all participating Clients. The Adviser allocates trades and investment opportunities based on whether the security is being purchased or sold and if the security is being purchased, based on the trading and investment strategy of each Client account. More details relating to how trades are allocated are available in the "Trading and Allocation Policy."

Allocations may be determined or adjusted after the trade is executed. Because the Adviser typically buys and sells securities for its Clients through a competitive bidding process, the Adviser cannot know for certain at the time of placing a bid for securities whether the bid will be accepted. Consequently, it is more practical for the Adviser to allocate purchases among Client accounts at the end of the day once the transactions have been confirmed and the Adviser is able to take into account any factors relevant to the allocation decision (such as cash availability that may have changed between the time the bid was placed and the time the trades are executed).

The Adviser will, to the extent permitted under applicable law, effect Client cross- transactions where the Adviser causes a transaction to be effected between one Client account and another account advised by it or any of its affiliates.

Item 13 – Review of Accounts

The Adviser periodically reviews Client portfolios for risk, performance, and suitability.

The Adviser recognizes the importance of appropriately valuing Client investments to ensure its Clients receive fair and accurate valuation. The Adviser acknowledges that conflicts of interest may arise due to the fact that valuations impact marketing activities, the use of track records in fund raising and Adviser compensation. Specifically, an inaccurate valuation can impact the management

and performance fees payable by Clients. In order to minimize conflicts of interest, the Adviser values all Client investments in a manner consistent with the procedures outlined in a valuation and pricing policy adopted by the Adviser (the "Valuation Policy"). The Adviser's Valuation Policy establishes comprehensive procedures for the valuation of all Client investments held by the Funds or other Client accounts based on investment type. Additionally, the Adviser's Valuation Policy establishes procedures to correct valuations in the event of an inaccurate valuation. A copy of the Adviser's Valuation Policy is available to Clients upon request.

Frequency of Review

A review of each Client account is performed on a daily basis by members of the Adviser's staff, including the portfolio manager.

Content and Frequency of Regular Reports

The Adviser provides the Funds investors with written, quarterly unaudited performance information and annual financial statements audited in accordance with generally accepted accounting principles as in effect on the date thereof, consistently applied under the accrual basis of accounting ("GAAP").

The Mutual Fund intends to meet its shareholder report delivery obligations by posting annual and semi-annual shareholder reports to the Fund's website, www.reganfunds.com. Shareholders who wish to continue to receive paper copies of the annual and semi-annual shareholder reports should contact the Mutual Fund at 888-44-REGAN (888-447-3426) or their financial intermediaries.

Item 14 – Client Referrals and Other Compensation

Other Compensation

No person, other than the Clients, provides an economic benefit to the Adviser in exchange for providing investment advice or other advisory services to the Advisor's Clients.

Client Referrals

The Adviser does retain independent placement agents, for referring investors to the Funds and for referring Clients who may be interested in an SMA. The Adviser has arrangements with Old City Securities LLC. The Adviser does not currently place significant reliance on this firm for referrals to investors, as the capital raising function is predominantly managed by the Adviser's internal staff. However, the relationship with independent placement agents will remain in place for the foreseeable future. If a referred investor becomes an investor in a Fund or a SMA Client of the Adviser, the placement agent will receive a finder's fee that is subject to future contingencies, including the performance of the amount invested by the investor or the Client as applicable.

Item 15 – Custody

Because the General Partner of each Fund is an affiliate, we may be deemed to have custody of the Funds' funds and securities. A qualified custodian will serve as the qualified custodian of the Funds' assets. The financial statements of the Funds are audited on an annual basis, and distributed to the investors within 120 days of the end of the Fund's fiscal year for the Credit Opportunities Funds and 180 days for the Special Opportunities Funds and any related co-investment vehicles. Investors are urged to carefully review these financial statements.

The qualified custodian for each SMA will send account statements to the owner of the SMAs on a quarterly basis at a minimum. The Adviser may also send reports and account statements to the

owners of each SMA. You are urged to carefully review and compare the account statements received from the qualified custodian with the reports and account statements received from the Adviser.

U.S. Bank National Association is the qualified custodian for the Mutual Fund assets.

Item 16 – Investment Discretion

The Adviser has investment discretion to manage its Clients' assets. The Adviser's investment management agreements typically provide the Adviser with the ability to select securities to be bought and sold and to determine the amount of the transactions. The Adviser exercises its discretion in a manner consistent with each Client's investment goals and objectives.

Item 17 – Voting Client Securities

The Adviser generally does not invest Client accounts in securities with voting rights. In addition, the Adviser may not be able to vote proxies if the security has been lent or sold through a repurchase agreement. For securities that do have voting rights, the Adviser's policy is to exercise voting rights with respect to each specific security if it is in the Clients' best interests. Generally, the Adviser expects to vote proxies only with respect to closed-end funds where the Adviser has the authority to do so. If the Adviser determines that it is appropriate to exercise voting rights in a particular instance, the matters on which a vote is solicited will be evaluated in light of the Client's investment objectives for the security. A copy of the Adviser's proxy voting policies and procedures, together with information concerning the Adviser's proxy votes on their behalf, are available to each SMA Client and private fund investor upon request.

The Mutual Fund's proxy voting record will be available without charge, upon request, by calling toll-free at 888-44-REGAN (888-447-3426) and on the SEC's website at www.sec.gov.

Item 18 – Financial Information

There is currently no financial condition which is reasonably likely to impair the Adviser's ability to meet its contractual commitments to its Clients and the Adviser has never been the subject of a bankruptcy petition.