

Lument Finance Trust, Inc.

Code of Business Conduct

March 1, 2025

I. Introduction

This Code of Business Conduct (this “**Code**”) applies to:

- all directors, officers and employees, if any, of Lument Finance Trust, Inc. (together with its subsidiaries, the “**Company**”);
- all officers and employees, if any, of Lument Investment Management, LLC, the Company’s external manager (the “**Manager**”), including members of the Manager’s investment committee, and any officers and employees of Lument Real Estate Capital Holdings, LLC or any of its affiliates (the “**Manager Affiliates**”) acting for or on behalf of the Company; and
- any person performing services for the Company and who is subject to the Company’s or the Manager’s supervision and control, which may include consultants, advisors, temporary employees and such other persons designated by the Company’s or the Manager’s Legal Department.

All such persons are collectively referred to in this Code as “**Covered Persons.**”

The Company is committed to the highest standards of ethical conduct and to doing business with honesty and integrity. In order to ensure compliance with all federal, state and local laws, rules and regulations applicable to the Company and the Manager (collectively, “**Applicable Laws**”), including, without limitation, those relating to anti-corruption, anti-bribery, anti-money laundering, sanctions, data protection and securities (including the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), which is applicable to the Manager), the Company has adopted the policies and procedures set forth in this Code. The policies and procedures contained in this Code are designed to promote lawful and ethical practices and conduct by all Covered Persons and to maintain the highest ethical standards in every aspect of their dealings with other employees, the business, the community, clients, third party providers and government authorities. This Code operates, as it relates to employees of the Manager or Manager Affiliates who are acting for or on behalf of the Company, in conjunction with the applicable policies of the Manager and of any Manager Affiliates.

This Code is a resource which summarizes basic compliance standards. The Company expects all Covered Persons to conduct themselves in a lawful and ethical manner, and this Code builds on that expectation by providing Covered Persons with additional specific legal and regulatory requirements to reflect the Company’s culture of compliance.

The Company reserves the right to take disciplinary action if a Covered Person engages in conduct deemed by the Company to be unethical or illegal whether or not such conduct constitutes a direct violation of the requirements set forth in this Code. The Company may take such action if, in its sole judgment, the Company believes that the Covered Person’s conduct poses a significant operational or reputational risk to the Company or the Manager.

All Covered Persons are expected to report to the Manager's Chief Compliance Officer (the "**CCO**") or the Manager's General Counsel ("**General Counsel**") any known or suspected violations of the policies and procedures contained in this Code or other activities of any employee that could be construed as a violation of any law, rule or regulation applicable to the Company's business. If a Covered Person is unsure whether a violation has occurred, the Covered Person should discuss the matter with the Chief Executive Officer of the Company and, if doubts continue following that discussion, the matter should be referred to the CCO or General Counsel. Failure to comply with the above could result in disciplinary action against any non-reporting Covered Person. Consistent with the law, the Company will not permit retaliation against Covered Persons who report such matters in good faith.

II. Compliance with Applicable Laws, Rules and Regulations

The Company strives to ensure that all activities by or on behalf of the Company comply with all Applicable Laws. Many of these Applicable Laws are specifically described in this Code and in other policies and procedures of the Manager. In the conduct of the Company's business, all Covered Persons are required to comply with all applicable laws.

III. Standard of Fair and Honest Dealing

Covered Persons are required to deal fairly and honestly with other Covered Persons, with the Manager and with the Company's shareholders, customers, third party providers and competitors. Covered Persons shall behave in an ethical manner and shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

IV. Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the U.S. Securities and Exchange Commission and other regulators by the Company, and in other public communications made by the Company, Covered Persons involved in the preparation of such reports and documents (including those involved in the preparation of financial and other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these Covered Persons shall provide accurate financial and accounting data for inclusion in such disclosures. Covered Persons shall not knowingly falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors or investors. Covered Persons shall never take any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors in the performance of their audit or review of the Company's financial statements.

V. Conflicts of Interest

It is the policy of Company to conduct business in a manner that ensures that business judgment and decision-making by Covered Persons are not affected or influenced by personal interests. A conflict of interest exists when a Covered Person's personal interests interfere with the interests of the Company or the Manager or when a Covered Person takes any action or has any interests that may make it difficult for the Covered Person to fulfill his or her duty to the Company.

The Company views conflicts of interest situations broadly to include actual conflicts of interest (a real or existing conflict), potential conflicts of interest (a situation that may result in a conflict) and

perceived conflicts of interest (a situation that may appear to be a conflict even if not the case). In addition, a conflict of interest may be financial or non-financial in nature.

Covered Persons are required: (i) to refrain from acting in any circumstances in which their personal interests conflict or appear to conflict with the interests of the Company or the Manager and (ii) to disclose at the earliest opportunity all factual circumstances or relationships that reasonably could be expected to give rise to a conflict of interest (or the appearance of a conflict of interest) with the Company or the Manager.

Under these standards, a conflict of interest would exist if, by way of example and not limitation:

- a Covered Person causes the Company to enter into business relationships with such Covered Person or a member of such Covered Person's family, or invest in companies affiliated with such Covered Person or a member of such Covered Person's family;
- a Covered Person, directly or indirectly, solicits, hires or attempts to hire an officer or employee of the Company, the Manager or any Manager Affiliate for employment, whether as an employee, consultant, contractor or otherwise, with another business as to which the Covered Person or the Covered Person's family member may hold any direct or indirect financial interest;
- a Covered Person or a member of his or her family receives improper personal benefits as a result of such Covered Person's position with the Company, the Manager or a Manager Affiliate;
- a Covered Person uses any nonpublic information received from the Company, the Manager or Manager Affiliates or from borrowers or other business partners of the Company, the Manager or Manager Affiliates for such Covered Person's personal gain, or the personal gain of a member of such Covered Person's family; or
- a Covered Person uses or communicates confidential information obtained from the Company, the Manager or a Manager Affiliate for the benefit of such Covered Person or another person, including a member of such Covered Person's family.

The above list of conflict scenarios is illustrative and non-exclusive.

In order to manage conflicts of interest, each Covered Person is required to disclose to the Manager's Compliance Department ("**Compliance**") any direct or indirect financial interest that the Covered Person or the Covered Person's family member may hold or acquire in any organization which does business (or may do business) with or competes with the Company, the Manager or Manager Affiliates, including a third party provider or customer of the Company, the Manager or Manager Affiliates. Generally, a Covered Person or Covered Person's family member will be deemed to have a material financial interest in an organization if, (1) with respect to a publicly owned entity, a Covered Person or family member owns or has the right to acquire securities in an amount in excess of 5% of the total securities of the same class of such entity, or (2) with respect to an entity that is not publicly owned, a Covered Person or family member owns or has the right to acquire securities in an amount in excess of 5% of the total securities in such entity.

A Covered Person (including any family member) is prohibited from having any material direct or indirect financial interest in any transaction involving the Company, the Manager or Manager Affiliates without the prior written approval of the Chief Executive Officer, in consultation with the CCO and General Counsel. If a Covered Person becomes involved in a situation that may give rise to a conflict, or even the appearance of a conflict, the Covered Person must notify Compliance at the earliest opportunity.

VI. Corporate Opportunities

Each Covered Person has a duty to advance the legitimate interests of the Company when the opportunity to do so presents itself. Therefore, each Covered Person may not:

- take for himself or herself personally opportunities, including investment opportunities, discovered through the use of your position with the Company, the Manager or the Manager Affiliates or through the use of any of their property or information;
- use the property or information of, or position with, the Company, the Manager or Manager Affiliates for such Covered Person's personal gain or the gain of his or her family member; or
- except as set forth in the following paragraph, compete, or prepare or take steps to compete, with the Company, the Manager or the Manager Affiliates.

As contemplated by the Company's Corporate Governance Guidelines and the charter of the Nominating and Corporate Governance Committee of the Company's Board of Directors (the "**Board**"), directors and officers of the Company may serve as directors, principals, officers or employees of businesses that engage in the same or similar activities or related lines of business as, or that overlap or compete with, those in which the Company may, directly or indirectly, engage. Similarly, as contemplated by the management agreement between the Company and the Manager, directors and officers of the Company may be officers and employees of the Manager or the Manager Affiliates that (i) engage in the same or similar activities or related lines of business as, or that overlap or compete with, those in which the Company may engage or (ii) may offer investment advisory services to other companies that may engage in the same or similar activities or related lines of business as, or that overlap or compete with, those of the Company. Except as set forth above, this Section VI does not create any duty to refrain from directly or indirectly engaging in any business opportunity, including but not limited to business opportunities in the same or similar business activities or lines of business in which the Company may be engaged.

VII. Protection and Use of Company Assets

All Covered Persons should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on profitability. The Company's assets should be used for legitimate business purposes.

VIII. Discrimination and Harassment

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment or any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

The Company is committed to providing equal employment opportunities for all persons without regard to race, color, religion, creed, gender, sex, sexual orientation, national origin or ancestry, alienage or citizenship status, age, disability, marital or partnership status, military status, predisposing genetic characteristics, status as a victim of domestic violence, sex offense or stalking or any other class or status protected by law in accordance with Applicable Laws. All persons must be treated with dignity and respect.

The Company requires all persons conducting business on its behalf to meet these standards of conduct.

IX. Bribery and Kickbacks

Bribery is illegal and subject to criminal penalties in the U.S. and many other foreign countries. Bribery is forbidden under the U.S. Foreign Corrupt Practices Act and other Applicable Laws. Bribery, kickbacks or other improper payments of any kind have no place in the Company's business and are strictly prohibited. Covered Persons may not give bribes, kickbacks or offer anything of value to any person, organization or government official in order to obtain a particular result for the Company. All decisions made on behalf of the Company, whether with respect to investing in assets or purchasing goods or services, must be made on the basis of appropriate investment or business criteria, and must be legal and reasonable in relation to customary commercial practice. Similarly, all Covered Persons are prohibited from accepting or receiving a bribe, kickback or anything of value from any party in exchange for or consideration of the award of any of the Company's business. Gifts and entertainment could constitute an illegal bribe or kickback under certain circumstances.

Covered Persons who deal with the Company's lenders, third party providers, bankers, financial advisers, brokers or other third parties are placed in a special position of trust and must exercise great care to preserve their independence. As a general rule, Covered Persons should never receive a payment or anything of value in exchange for a decision involving the Company's business. The Company recognizes exceptions for token gifts, which are not excessive in value or are consistent with customary business practices and customary and appropriate business entertainment when a clear business purpose is involved.

X. Anti-Money Laundering

The Company is committed to complying with all applicable anti-money laundering ("**AML**") and anti-terrorist financing laws and regulations as well as certain industry best practices that are designed to facilitate the detection, prevention and punishment of money laundering and funding of terrorist and criminal activity.

The Manager has adopted AML policies and procedures so that Covered Persons can take appropriate steps to ensure the Company has no involvement, directly or indirectly, in any money laundering activity. Through these AML policies and procedures, the Manager, on behalf of the Company, has implemented a process for conducting appropriate due diligence in verifying the identity of its prospective borrowers and other counterparties and the nature of their businesses as well as obtaining appropriate representations and covenants from prospective borrowers and other counterparties with respect to compliance with AML laws and regulations. To assess the AML risk a prospective borrower or counterparty might pose, the Manager, on behalf of the Company, takes various criteria into consideration. The Manager, on behalf of the Company, retains records of required screenings and monitors existing business relationships for any relevant change in circumstance, and it has established

reporting protocols with regulatory authorities for any suspicious activities. Covered Persons must be familiar with applicable AML policies, procedures and controls and must understand and discharge their own obligations in respect of applicable AML policies, procedures and controls.

XI. Political Contributions

It is the Company's policy to not make contributions or payments that could be considered a contribution to political parties or candidates or to intermediary organizations such as political action committees. However, Covered Persons are free to exercise their right to make personal political contributions within legal limits, except to the extent these contributions are otherwise prohibited or restricted by this Code or other policies. The obligation of all Covered Persons is to not make any contribution in a way that might appear to be an endorsement or contribution by the Company or the Manager, and Covered Persons are expected to be certain that they understand, and are in compliance with, all Applicable Laws before making any political contribution. The Company does not reimburse any Covered Person for political contributions in any way.

XII. Personal Share Dealing

Purchasing and selling securities in a Covered Person's own account, or accounts over which the Covered Person has access or control, can give rise to potential conflicts of interest. Improperly gaining advance knowledge of portfolio transactions, or conducting securities transactions based upon information obtained at the Company, can be a violation of standards of conduct.

The Company and its Manager have policies that specifically cover personal securities transactions. All Covered Persons are obligated to follow those procedures whenever they conduct such transactions.

XIII. Anti-Hedging and Anti-Hedging Policies

Covered Persons are prohibited from purchasing or selling, or making any offer to purchase or offer to sell, derivative securities relating to any security of the Company, whether or not issued by the Company, such as exchange traded options to purchase or sell any security of the Company (so called "puts" and "calls") or financial instruments that are designed to hedge or offset any decrease in the market value of any security of the Company (including but not limited to prepaid variable forward contracts, equity swaps, collars and exchange funds).

Covered Persons are prohibited from holding any security of the Company or any of its subsidiaries in a margin account or otherwise pledging any security of the Company or any of its subsidiaries as collateral for a loan because a margin sale or a sale of a pledged security of the Company may occur at a time when the Covered Person is aware of material non-public information or is otherwise not permitted to trade in securities of the Company.

XIV. Insider Trading

The Company's policy against insider trading is designed to promote compliance with securities laws and to protect the Company as well as Covered Persons from the very serious liability and penalties that can result from violations of these laws. The Company is committed to maintaining its reputation for integrity and ethical conduct and this policy is an important part of that effort. It is the Company's policy that Covered Persons may not trade securities, of the Company or otherwise, about which they have

access to material, non-public information. They are also prohibited from passing on such information to others who might make an investment decision based on it. If a Covered Person has any question about whether a particular transaction may constitute insider trading, prior to trading such Covered Person should consult the Company's Insider Trading Policy which has been provided to all Covered Persons and consult with the CCO or General Counsel.

XV. Waiver

Any waiver of this Code for executive officers or directors must be approved by the Board and will be promptly disclosed as required by law or stock exchange regulation.

XVI. Confidential Information

Covered Persons will have access from time to time to confidential or proprietary business information about the Company or within the Company's possession or control, including strategic plans, financial information, information regarding negotiations, agreements or dealings between the Company and others, trade secrets, patents and trademarks. Unauthorized disclosure or use of confidential or proprietary business information, including through electronic means, could result in severe damage to the Company and is strictly prohibited. It is the responsibility of every Covered Person to secure and limit access to confidential or proprietary business information to those within the Company, the Manager or Manager Affiliates who need to know such information. Covered Persons are prohibited from using, or permitting any other person to use, confidential or proprietary business information for personal gain.

XVII. Reporting Known or Suspected Violations or Illegal or Unethical Behavior

If a Covered Person has a reasonable belief that another Covered Person has engaged in any action that violates Applicable Laws, this Code, policies of the Company or policies of the Manager that apply to the Company, the Covered Person must immediately report such information to their immediate supervisor, who in turn must immediately report the matter to the CCO or General Counsel. If, for any reason, the Covered Person does not feel comfortable reporting the matter to the CCO or General Counsel, the Covered Person must report the information to another officer of the Company.

In circumstances where a Covered Person wishes to speak to someone outside the Company, the Covered Person may reach out to the Company's Whistleblower Anonymous Ethics Hotline, which is an independent and confidential hotline service administered by a third party, using the contact information listed on the Company's website at <https://www.lumentfinancetrust.com/contact/>.

XVIII. Interaction with the Policies of the Manager

The Manager has policies related to the conduct of its business by its officers and employees. All Covered Persons who are officers or employees of the Manager are obligated to follow the applicable policies of the Manager in addition to the policies set forth in this Code.