

Capri Capital Partners, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Capri Capital Partners, LLC (“Capri”). If you have any questions about the contents of this brochure, please contact us at 312-573-5265. 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 Capri is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Material Changes

Capri's most recent update to Part 2 Form ADV was made in March 2011. Capri's business activities have not changed materially since the time of that update.

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Advisory Business

Capri provides real estate investment management services to pension plans and corporations. Capri invests client's funds in domestic real estate equity and debt investments through commingled fund or separate account structures. Real estate investments include core, core-plus, value-add and opportunistic strategies with investments in multifamily, retail, office, industrial or hotel properties.

For separate account clients, Capri tailors its investment strategies and product types to its client's requests and investments may be made on a discretionary or non-discretionary basis.

Capri was established in October 5, 2000 under the name Capri Capital Advisors, LLC as a business combination of the investment advisory activities of Capri Capital Limited Partnership ("CCLP") and Capital Associates Group ("Capital Associates"). Quintin E. Primo III co-founded CCLP in 1992 as a minority-owned commercial real estate advisory firm, initially focused on debt and structured finance transactions. Capital Associates, established in 1977 as a real estate development and property management company, was a provider of equity investment advisory services to institutional investors. The combination of CCLP and Capital Associates created an advisory firm with equity and debt investment capabilities across all product types. Mr. Primo, who holds 45% of the ownership and 100% of the voting rights and seven other operating partners hold 60% of the ownership in Capri and a passive pension plan investor holds 40% of the ownership through a subsidiary, Investment Holdings IDF, LLC ("Holdings"), a Delaware limited liability company. Holdings also owns all of a class of preferred non-voting interests of Capri. Holdings is managed by Domain Capital Advisors, LLC. As of December 31, 2011, Capri had approximately US\$3,596,300,000 in gross fair market value in assets under management (including unfunded investor commitments) on behalf of approximately 27 institutional clients. Of total assets under management, US\$3,577,971,884 were discretionary and \$18,354,740 were non-discretionary.

In the interests of confidentiality, Capri does not provide details in this Brochure pertaining to the pension plan investor. However, investors in the private investment funds managed by Capri and Capri's separate account clients may contact Capri for additional information.

Fees and Compensation

Capri charges fees for investment advisory services generally as a percentage of assets under management. Investment advisory fees are negotiable; however, compensation will typically include an origination or acquisition fee of .50%-2.00%, an annual asset or portfolio management fee during the investment period of .40% - 1.50% and a divestiture fee of .50% - 1.50%. In addition, when permitted, additional compensation will be received in the form of participation (less than 50%) in an investment property's net cash flow and/or in the residual profits upon sale or loan repayment. In all cases the fee will be agreed with the client and disclosed in the advisory agreement or in the case of private funds in the offering documents of PPM (or equivalent).

Capri also acts as the manager of private investment funds. Registrant will receive a management fee from such funds based on a percentage of assets of the fund as well as carried

interests in the returns of the funds after investors in the funds have received a specified rate of return on their investments.

Fees are payable at the time services are provided, or in arrears, generally on a quarterly basis. Investment advisory contracts are usually cancelable with notice of 30-60 days by the institutional client. Fees are generally billed to separate account clients and are deducted from fund accounts.

Capri may engage real estate or mortgage loan brokers as well as securities brokers from time to time which fees will be paid by the client. See Section on Brokerage Practices.

Performance Based Fees and Side-by-Side Management

As previously stated, when permitted, Capri receives performance based fees or carried interests as additional compensation after institutional clients or fund investors have received a specified rate of return on their investments. Since hurdle rates, over which Capri earns performance based fees or carried interest, may vary among institutional clients or fund investors, there is the potential for a conflict of interest at the time that Capri is allocating a given investment to an institutional client or fund. Capri uses an objective rotational system to allocate these investments among competing institutional clients and funds. Capri believes that this practice sufficiently resolves that apparent conflict.

Types of Clients

Capri primarily provides real estate equity and debt investment advice to institutional clients through separate account or fund vehicles. While Capri does not impose a minimum dollar value of assets with respect to maintaining a separate account with Capri, the private investment funds sponsored by Capri often do require a minimum subscription amount in order to invest. Potential investors will receive offering memoranda that will disclose any minimum subscription requirements.

Methods of Analysis, Investment Strategies and Risk of Loss

Capri's analysis methods relating to real estate investments (debt or equity) include the following:

Economic Environment – Local and regional economic factors are considered such as macro trends in population, job formation, distribution of employment, personal income, demographics, and technology in the manufacturing base. These factors are viewed in the overall context of the United States economy.

Market and Competitive Conditions – Local and regional property market conditions are analyzed to determine the extent of supply/demand equilibrium in the market. This entails a review of factors such as the amount of speculative construction, absorption of new and existing commercial space or residential housing units, average commercial building vacancies, and net effective (versus contract) rental rates.

To determine the competitive position of the investment property within the market, an evaluation of competitive properties is performed. Competitive properties are analyzed with respect to size, location, design, absorption, tenancy, and other factors.

Physical Assessment –

An assessment of the property's size and physical condition is made. This includes an evaluation of site location, access, zoning, environmental factors, and conformity with adjacent land uses. With respect to the building, environmental issues, structural integrity, age, architectural design, amenities, functional obsolescence, and other physical aspects are reviewed. Capri works closely with outside technical consultants during this phase of the investment analysis.

Operational Review – Property operating strategy is analyzed. This includes an evaluation of such factors as: the cost and effectiveness of current marketing, including trends in the property's absorption, turnover, and occupancy levels; proposed marketing strategy including pricing and competitive positioning; management systems and the quality and frequency of reporting; and operational efficiency through an analysis of operating expenses relative to competition and industry standards.

Financial and Valuation Analysis – A financial and valuation analysis is performed. This entails a review of the property's operating and financial history including an analysis of capital expenditures, lease terms, tenant credit quality, and other factors. The goal of this effort is to determine the quality of the property's operating cash flow stream. A credit assessment of the borrower or sponsor is also made for debt related investments. With this information, an operating proforma is completed which incorporates the conclusions reached from the overall analysis previously described. The proforma becomes the basis for estimating the value of the investment property in addition to utilizing outside appraisals, feasibility studies, and an estimate of the property's replacement cost. In this manner, the property's rewards relative to its risk can be assessed.

Sources of Information – Capri uses the following sources of information in its analysis:

- (1) Market research materials purchased from third party providers;
- (2) Internal research;
- (3) Federal, state, and local government reports;
- (4) Market leasing and vacancy reports;
- (5) Industry publications;
- (6) Appraisal, feasibility, and land use studies; and
- (7) Technical reports (i.e. engineering, environmental, etc.).

With respect to evaluating the credit strength of building tenants, Capri may review annual reports, research materials, and other information.

Investment Strategies – Investment strategies used to implement advice given to clients will include core, core-plus, value-add and opportunistic commercial real estate investment programs, in both equity and debt formats, and generally be long term (5-10 year) in nature. In addition,

strategies with respect to the securitization of investment assets will be executed where appropriate.

Risk of Loss – In addition to general investment risks, investments will be subject to the risks incident to ownership and development of real estate and there can be no assurance that any rate of return or other investment objectives will be realized or that there will be any return of capital.

Real estate risks include changes in the general economic climate, changes in the overall market, local real estate conditions, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, the attractiveness and location of properties, the quality and philosophy of management, accelerated construction activity, technological innovations that dramatically alter space requirements, the availability of financing, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks, and government regulations (including those governing usage, improvements, zoning and taxes), quality of maintenance, insurance and management services, changes in operating costs, uninsured losses or delays from casualties or condemnation, potential liability under changing environmental and other laws, structural or property-level latent defects, acts of God and other factors beyond the control of the manager. Private fund investors should refer to the Risk Factors section of the offering documents and PPM or equivalent for a disclosure of risks.

Disciplinary Information

Capri and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Capri acts as the investment manager to investment entities in which clients are solicited to invest. These entities are not restricted to limited partnerships; they may be structured as limited liability companies as well. These entities will generally invest in real estate and real estate related investments. Capri (and/or certain of its employees) own or control the general partner/managing member/investment manager of each of the investment entities.

In March, 2008, Capri Global Capital, Ltd. ("CGC"), an affiliate of Capri Capital Partners, was formed as a Cayman Islands exempted company. It is intended that CGC will pursue international real estate investment opportunities. CGC is an affiliate of CCP because the majority of its equity is owned by the same person who owns the majority of the equity of CCP. CGC is a start-up business with no assets currently under management and no current sources of revenues or income. CCP and CGC entered into a Management Services Agreement pursuant to which they each agreed to provide the other with certain management services. Two investors previously provided credit enhancement support, on market terms, to certain corporate indebtedness of CCLP, a prior affiliate of Capri which entity was sold in February 2005. Those investors are not currently separate account clients for whom Capri makes new investment decisions, but they are both participating investors in Capri Select Income II, LLC ("CSI II") and one is a participating investor in Capri Urban Investors, LLC ("CUP"). Both funds are beyond the investment period for an allocation of new investments. The credit enhancement relationship in 2005 may under certain circumstances be considered to have created

a potential for a conflict of interest with respect to the allocation of new investment opportunities between CSI II, CUI and the other clients of Capri.

Holdings owns all of a class of preferred non-voting interests of Registrant. Additionally, Holdings or its affiliates owns certain debt instruments issued by Capri. Holdings is managed by Domain Capital Advisors, LLC, a Delaware limited liability company and is principally owned by a pension plan. That pension plan is currently an investor in one private investment fund managed by Capri (and may become an investor in other private funds in the future).

An appearance of a conflict of interest arises in connection with the pension plan's ultimate ownership interest in a class of preferred non-voting interests of Capri and its ownership interest in private investment funds managed by Capri. For example, Capri may have an inclination to favor the private investment fund in which the pension plan invests in allocating investment opportunities of limited availability to reward the pension plan for its ownership stake and contribution of capital. Capri has taken steps to identify conflicts, both actual and apparent, and resolve those identified or disclose them and will continue to do so.

In the case of allocating investment opportunities in a preferential way, to the extent that an investment opportunity is appropriate for more than one client, Capri employs an objective rotational system to allocate these investments among competing clients (including the private investment funds it manages). Capri believes this practice sufficiently resolves that apparent conflict.

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

Capri has adopted a written Code of Ethics ("Code") in accordance with the SEC's rule 204A-1, which addresses conflicts of interest and personal investments and is applied to officers and employees of the Company. This Code has been adopted to assist Capri, and to guide Capri's officers and employees, in complying with federal securities laws requirements and other Company standards applicable to carrying out Capri's fiduciary responsibilities to clients. Among other things, the Code requires Capri and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Capri's restrictions on personal securities trading apply to employees as well as employees' family members living in the same household. The Chief Compliance Officer monitors employee trading, relative to potential insider information and relative to client's transactions to ensure that employees do not engage in improper transactions. Capri co-invests in certain private funds alongside its investors for alignment of interests. This could cause Capri to favor a certain private fund with a given investment. Capri employs an objective rotational system to allocate these investments among competing clients, including the private investment funds it manages. Capri believes this practice sufficiently resolves the apparent conflict. A copy of the Company's Code will be provided to any client or prospective client upon request.

Brokerage Practices

It is possible that Capri will cause private investment funds for which it is acting as investment manager to purchase securities. With respect to such purchases, Capri will have discretion

regarding which securities will be bought or sold and the broker or dealer to be used. In addition, Capri may engage real estate and mortgage and loan brokers.

Soft Dollars and Proprietary Research - Securities brokers, real estate brokers, and mortgage brokers are selected by Capri on the basis of experience and reputation, availability to meet due date requirements and are customarily compensated on a competitive commission basis. Capri may effect securities transactions at commission rates (or “mark-up/mark-down” to dealers) in excess of the minimum commission rates (or “mark-up/mark-down”) available, if Capri believes that such amount of commission (or “mark-up/mark-down”) is reasonable in relation to the value of brokerage, research, or other services provided by such broker or dealer, viewed in terms of either that particular transaction or Capri’s overall responsibilities with respect to its clients. Capri accepts only proprietary research from the brokers and does not enter into any soft dollar arrangements whereby it receives research or any other benefit from third parties. Research services received from brokers and dealers are supplemental to Capri’s own research effort. To the best of Capri’s knowledge, these services are generally made available to all parties doing business with such brokers. Capri does not separately compensate such brokers for the research, does not believe that it pays for such brokers research due to the difficulty associated with the brokers not breaking out the costs for such services. Adviser’s acceptance of research from brokers is done in accordance with the provision of Section 28(e) of the Securities Exchange Act of 1934, as amended.

From time to time, Capri may enter into referral fee arrangements to compensate solicitors for recommending its investment advisory services to potential investors in its private investment funds. To the extent required, such arrangements are entered into in accordance with Rule 206(4)-3 and Rule 206(4)-5 under the Investment Advisers Act of 1940. Capri currently has a written arrangement with a solicitor to solicit potential international investors for a private investment fund sponsored by Capri. The solicitor earns a monthly retainer and a percentage of capital raised.

Review of Accounts

Capri’s clients and private investment fund offering documents and PPM’s (or equivalent) sometimes impose written investment guidelines to be followed in connection with the management of their real estate properties. Capri follows these guidelines, if any, when executing its acquisition strategy for the clients. All investment guidelines shall be directed to the Investment Committee for review and implementation.

Capri monitors all client accounts and private funds on a regular basis. Reviews will incorporate those factors agreed upon in the relevant IMA. In particular, the portfolio manager is responsible for reviewing client accounts and private funds on a quarterly basis, at various levels, including market factors affecting investments in the account, diversification of the portfolio, and financial variables, such as current leases signed that can impact values of investments in the account, capital improvement schedules and borrower credit status on debt related investments. Capri’s clients receive quarterly reports about the properties they own in their accounts or in the private funds in which they invest on a quarterly basis. The information included in each client report depends upon each client’s particular preference, but typically includes a list of the fair market values of investments and transactions for the period covered by the report. Current information

related to tenancy, leasing, and the overall market in which the property operates is also included.

Client Referrals and Other Compensation

Capri does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

All client accounts are held in custody by unaffiliated banks, but Capri can access certain accounts to make disbursements, and therefore, Capri is considered to have custody of such accounts. All accounts can be classified in two groups –Portfolio Accounts and Property Accounts.

Portfolio Accounts – These accounts are established and maintained by Capri’s portfolio accounting staff for all clients (separate account clients and commingled fund clients). Funds in these accounts are used primarily to pay portfolio level expenses, such as, asset management fees, audit fees, tax preparation fee, filing fees, investment appraisal fees, legal fees, and consulting fees. Other disbursements may include: (a) capital fundings for acquisition of new investments; (b) fundings to existing properties to pay for capital improvements or operating expenses; and (c) cash distributions to investors. Capri may also establish accounts for real estate tax escrow, insurance escrow, capital improvement reserve, and debt service reserve for loan investments as stipulated by the investment agreement related to each investment. Two or more of Capri’s senior employees are signatories on all portfolio accounts and therefore, Capri is considered to have custody of these accounts. For portfolio accounts held on behalf of its separate account clients, Capri causes the banks to send account statements directly to such clients or their independent representatives on a monthly basis. Clients should carefully review these statements, and compare them to any account information provided by Capri.

Property Accounts – These accounts are established and managed by the third-party property managers to manage property level cash receipts and disbursements. Surplus cash from these accounts is normally transferred to portfolio accounts for further distribution to the investors. The day-to-day cash management functions for property accounts are performed by the property manager. The property manager has the signing authority on all property accounts. Capri’s senior employees are signatories on all property accounts maintained on behalf of the commingled fund clients and therefore, Capri is considered to have custody of these accounts. However, Capri does not have any signing authority on any property account maintained on behalf of its separate account clients. Capri cannot direct any disbursements from these accounts and therefore, is not considered to have custody of these property accounts.

Investment Discretion

Capri has investment discretion over certain separate account clients after agreement on basic return targets and investment parameters and other separate account clients are non-discretionary as to investments. All terms agreed with a separate account client would be included in the Investment Management Agreement with the client. Generally, a basic structure has been identified by the client or proposed by Capri as the type of real estate that Capri will invest in on behalf of the client. The structure would include real estate equity, debt of both, whether it is

wholly owned, a joint venture, first mortgage debt, subordinated debt of preferred equity and the product type would be multifamily, retail, office, industrial or hotel. All of Capri's commingled funds are discretionary and the terms would be included in private investment fund offering documents and PPM's (or equivalent).

Voting Client Securities

Registrant does not invest in securities that carry proxy voting rights and therefore the Company does not vote proxies.

Financial Information

Capri has never filed for bankruptcy and its financial ability to meet contractual commitments to clients is not impaired.