

Form ADV Part 2A – *Firm Brochure*

Item 1 – Cover Page

Pathfinder Partners, LLC

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Date of Disclosure Brochure: March 2013

This disclosure brochure provides information about the qualifications and business practices of Pathfinder Partners, LLC (also referred to as we, us and the firm throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Brent Rivard at 619-920-1152 or brivard@pathfinderfunds.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pathfinder Partners is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Pathfinder Partners, LLC or our firm's CRD number 164258.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Pathfinder Partners was newly registered in August 2012, and this disclosure brochure is our first annual updating amendment prepared by our firm. Since the initial disclosure brochure was filed we have made no material changes to our brochure.

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Item 4 – Advisory Business

Pathfinder Partners is an investment adviser registered with the United States Securities and Exchange Commission (SEC) and is a limited liability company (LLC) formed under the laws of the State of Delaware and headquartered in San Diego, California.

- Lorne Polger is a Member and Owner of Pathfinder Partners. Lorne Polger owns 50.00% of Pathfinder Partners.
- Mitch Siegler is a Member and Owner of Pathfinder Partners. Mitch Siegler owns 50.00% of Pathfinder Partners.
- Pathfinder Partners is a real estate investment firm specializing in “distressed” and “opportunistic” commercial real estate investments. We currently serve as investment adviser to several funds which own and invest in diversified portfolios of commercial real estate assets, comprised primarily of well-located, income-producing properties such as multi-family (new condominiums, condominium conversions and apartment complexes) office, industrial and retail properties, or debt securities underlying such projects.
- Pathfinder Partners was formed in July 2006 to capitalize on the impending correction in the real estate market; its principals have been exclusively acquiring distressed debt and real estate since December 2006. We filed our initial application to become registered as an investment adviser in June 2012.

Description of Advisory Services

Pathfinder Partners is registered as an investment adviser solely because it serves as investment adviser to a family of real estate private investment funds (referred to as “real estate funds”). We have related companies that serve as managers (for real estate funds formed as limited liability companies), general partners (for real estate funds formed as limited partnerships) and are sponsors of the real estate funds thus responsible for raising capital from third-party investors for such funds. Current related company sponsors include Pathfinder Partners Realty Ventures, LLC and Pathfinder Partners Realty Ventures III, LLC. Therefore, Pathfinder Partners is not independent of the real estate funds we manage. See also Item 10 – Other Industry Activities and Affiliations, Item 11 – Participation in Client Transactions and Personal Trading and Item 16 – Custody of this Disclosure Brochure for more information.

The offer and sale of interests in real estate funds managed are exempt from registration under the Securities Act of 1933 and similar state laws. Further, real estate funds may also be exempt from registration as an investment company under the Investment Company Act of 1940.

Investors in funds managed by Pathfinder Partners are required to execute a subscription agreement in order to subscribe for interests in the fund and will receive a Confidential Private Placement Memorandum, if applicable.

Overview

Our services can best be described as managing private real estate funds by investing either (i) directly in real estate or (ii) indirectly through loans secured by real estate. Our objective is to make opportunistic investments in defaulted real estate loans or attractive properties, with a focus on multi-family projects. In addition to seeking opportunities to add value by providing liquidity to selling financial institutions or other

real estate sellers, we attempt to add value through property enhancements, improvements in operations, marketing and property positioning.

When appropriate, we will also pursue financial restructuring opportunities for commercial real estate assets. We also provide financing for troubled commercial real estate projects through our Pathfinder R³™ (Restructuring, Repositioning and Rescue financing) program. Pathfinder R³ works with borrowers to restructure, modify or repurchase commercial real estate loans and properties with bridge financing and/or equity investments.

We identify and screen potential properties for investment purposes, conduct due diligence on such investment opportunities, determine specific properties, and monitor the performance of our investments on an on-going basis. We endeavor to do the following:

- Develop a general investment strategy based on each real estate fund's objectives
- Screen potential investment properties for the fund
- Conduct due diligence on potential investment properties for the fund
- Evaluate and complete investment documents necessary to invest directly in select real estate property
- Advise each fund regarding the investments on a forward looking basis
- Monitor investments and consult with individual fund investors periodically regarding all holdings
- Deliver periodic (quarterly and annual) updates to the fund investors regarding the status of investments held in funds

As investment adviser, Pathfinder Partners has sole and complete responsibility for managing investment portfolios pursuant to the investment objectives and investment policies of each real estate fund and will have discretionary authority for establishing and implementing each fund's investment objectives and policies. See Item 15 – Investment Discretion for more information.

Types of Investments

Pathfinder Partners exclusively provides advice on and manages private real estate investment funds. Subsequently, our services are limited to analysis, selection and monitoring of real estate loans and properties.

Tailor Advisory Services to Individual Needs of Clients

We do not currently have individual clients. We serve as the investment adviser to affiliated real estate funds and have no other clients. All management and investment decisions regarding our real estate funds are based on each individual fund objectives, strategies and policies. We are responsible for all major investment decisions including, without limitation, amending or changing an individual real estate fund's investment objectives, investment strategies and investment policies or limitations.

Assets Managed by Pathfinder Partners

As of December 31, 2012 we manage approximately \$155,206,311 in client assets. All assets are managed on a discretionary basis. See Item 15 – Investment Discretion for more information).

Item 5 – Fees and Compensation

Management Fee

Real estate funds managed by Pathfinder Partners pay an annual, management fee ranging generally below 2.00% of the real estate fund's aggregate capital contributions. The annual fee is divided and paid

quarterly, in advance, based on outstanding capital contributions in the real estate fund as of the last business day of the prior calendar quarter. The quarterly fee is deducted directly from the fund's available cash balance.

Each of our client real estate funds maintains for each investor in the real estate fund a capital account that is adjusted to reflect the management fee, performance-based carried interest or allocation, other fund expenses, capital contributions, and other similar changes during the term of the particular real estate fund. For some real estate funds, management fees applied to each investor's capital account will vary among investors based on the total amount invested in the real estate fund at 2.00% or lower. If any amounts are contributed during a quarter, a proportionate amount shall be applied to payment of this management fee based on the number of days remaining in that quarter.

Other Fees and Expenses

Real estate funds managed by Pathfinder Partners incur other fees and expenses in addition to the management fee described above and performance allocation fee described in Item 6 – Performance-Based and Side-By-Side Management below. The sponsor of each real estate fund will provide administrative services to the fund and will pay all normal operating expenses incidental to the provision of the day-to-day administrative services to the real estate fund, including its own overhead. As appropriate, third-party costs will be charged to portfolio properties. The fund will pay all costs, expenses and liabilities in connection with its operations, including: fees, costs and expenses related to the purchase, holding and sale of portfolio investments (to the extent not reimbursed), taxes, fees and expenses of accountants and counsel, costs and expenses of annual meetings; Management Fees; litigation expenses, and other extraordinary expenses. Real estate funds also bear third-party expenses incurred in connection with transactions not consummated.

In some instances, we are willing to reduce or offset our Management Fee to the extent organization and administrative fees exceed a pre-determined threshold. The decision to implement such a reduction is made on a fund-by-fund basis and may not be available to all funds.

Termination of Services

Our management services will be terminated automatically in the event that a real estate fund is dissolved or terminated. In addition, services may be terminated at any time in its entirety in the event the general partner or sponsor of a real estate fund decides to select a different investment adviser for the fund. In the event services are terminated, we will provide a pro-rated refund of fees charged, based on the number of days services are provided during the final calendar quarter.

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

Pathfinder Partners or its related company serving as general partner, managing member or sponsor of a real estate fund, will generally be awarded a profit's (or carried) interest in funds managed by Pathfinder Partners. This is known as and referred to as a "performance-based" fee arrangement. Under this arrangement Pathfinder Partners or its affiliate serving as general partner or managing member of the real estate fund will receive between 25% and 30% of all of the profits of the fund. The exact carried interest percentage is determined on a fund-by-fund basis and a different amount may be charged to different funds.

Each of our client real estate funds maintains for each investor in the real estate fund a capital account that is adjusted to reflect the performance-based carried interest or allocation, the management fee and

other fund expenses, capital contributions, and other similar changes during the term of the particular fund.

The nature of a performance-based fee arrangement poses an opportunity for our company to earn more income than through our stand-alone asset based fee (as described in Item 5 – Fees and Compensation of this Disclosure Brochure). There are other conflicts associated with this arrangement that are not as common under an asset-based fee arrangement. The nature of this arrangement can encourage unnecessary speculation within fund assets in order to earn or increase the amount of profits retained by our company. Although riskier investments could yield higher returns to a real estate fund, they historically have a higher chance of losing value. Also, because our company or one of our affiliates is allocated 25% to 30% of a real estate fund's profits, the profits interest arrangement could give us an incentive to time transactions in the real estate fund to serve the interests of our company (in order to achieve the best performance allocation possible) rather than the best interest of the real estate fund and subsequently, underlying investors. However, given the illiquid nature of investments held in each fund (real estate properties), this situation is unlikely.

Performance based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying funds over lower fee paying funds, however, this conflict only arises where two or more funds with capital available for investment have the overlapping investment profiles and the potential investments are suitable for two or more of these funds.

Performance fee arrangements also create an incentive to favor higher fee paying funds over lower fee paying funds, however, this conflict only arises where two or more funds with capital available for investment have the overlapping investment profiles and the potential investments are suitable for two or more of these funds. However, we generally charge the same (or similar) management fee and performance fee on funds managed by our firm that regularly invest on a side-by-side basis.

We do not represent that the amount of profits interests retained by is or will be consistent with other private pooled investment vehicle arrangements. The percentage of profits retained may be higher or lower than the fees charged and profits retained by other fund managers for the same or similar services.

Item 7 – Types of Clients

It is anticipated that our only clients will be private real estate funds we sponsor or that are sponsored by one of our affiliates. Each investor in funds managed by our firm must be an “accredited investor” as defined under the Securities Act of 1933 and California Code of Regulations.

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

Methods of Analysis

We use the following methods of analysis in formulating investment advice:

Cyclical – This method analyzes investments sensitive to business cycles and whose performance is strongly tied to the overall economy. The value of a cyclically-tied property will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical markets try to make the largest gains by buying properties at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business or market cycle may actually turn out to be a purchase that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating an investment by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the investment's value, including macroeconomic factors (like the overall economy and job market where the property is located) and individually specific factors (like the location of a property, financial condition of the investment and management of a real estate property). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the investment's current price in hopes of figuring out what sort of position to take with that property (underpriced = buy, overpriced = sell). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a property's value.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating investments by analyzing statistics generated by market activity, such as past prices and volume of real estate transactions. Technical analysts do not attempt to measure an investment's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity in a particular product type. Technical analysts believe that the historical performance of investments and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given investment's price and historical ownership activity. A decision might be made based on a historical move in a certain direction that was accompanied by heavy transaction volume; however, that heavy volume may only be heavy relative to past volume for the investment in question, but not compared to future activity. Therefore, there is the risk of a purchase decision being made incorrectly, since future activity is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given investment and a contrarian investor utilizes such sentiment advantageously. When most investors are bullish, then there are very few investors left in a position to buy the property in question, so it becomes advantageous to sell it ahead of the crowd.

When most investors are bearish, then there are very few investors left in a position to sell the property in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the investor chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of an investment.

Investment Strategies

Due to the nature of opportunistic and distressed real estate assets, investments are primarily made utilizing a long term strategy (i.e. investments will be held for at least one year). However, some investments may be sold within a year.

When acquiring real estate assets, Pathfinder Partners considers supply and demand, general economic conditions and market dynamics (including occupancy trends and concessions) within the sub-market, population trends and cost basis (relative to comparable properties and replacement cost). We seek to create value through investments that are:

Opportunistic – We attempt to capitalize upon market inefficiencies, weakened lenders, over-leveraged investors, liquidating funds and other conditions that lead to motivated sellers. We also seek to identify catalysts for change and changes in the cycle of a market.

Value-Added - Our principals seek to reposition assets through creative and thorough asset management, aggressive leasing and necessary capital improvements to make properties suitable for subsequent sale following a period of stabilization.

Core Investments – We will also consider core investments that are characterized by relatively low vacancy rates, relatively low capital expenditure requirements and positive cash flow. Typically, we seek an element of financial distress or a catalyst likely to lead to value creation in these investments. Catalysts might include above average lease roll-over risk or leases that are below current and projected market rates.

Primarily Recommend One Type of Security

As previously stated in Item 4 – Advisory Services, Pathfinder Partners has registered as an investment adviser because it sponsors and advises a family of real estate private investment funds. When managing such funds, we will focus on “distressed” and “opportunistic” commercial real estate investments.

Real estate funds under our firm's management will not have registered pursuant to the Securities Act of 1933, and therefore the investor will need to complete a subscription agreement showing the investor is an “accredited” investor (as defined by applicable law and rules and regulations) and acknowledges that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

Real estate funds under our management and the real estate properties we hold within those real estate funds involve a high degree of risk and investors must have sufficient economic resources to bear the economic risk of the complete loss of their investments. In addition, we do not guarantee due diligence efforts will reveal all critical risks associated with private securities and real estate properties. We do not undertake responsibility for or work with real estate fund investors regarding allocation of their assets between real estate investments and other, more traditional securities. Nearly all investments held by our real estate funds and indirectly by real estate fund investors will be illiquid and clients (i.e. real estate funds) and its investors must be prepared to hold these investments indefinitely. Illiquid means that the investments can be difficult to sell and a client's ability to dispose of such investments in a timely manner and at an advantageous price may be limited.

Private securities and investment funds generally involve various other risk factors. A complete discussion of which is set forth in each real estate fund's offering documents, which will be provided to each investor for review and consideration.

Risk of Loss

Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Real estate funds managed by Pathfinder Partners and its investors should be prepared to bear investment loss, including loss of original investment.

Because of the inherent risk of loss associated with investing in any type of securities, Pathfinder Partners is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

In addition to carefully reading the risk factors detailed in each real estate fund's Private Placement Memorandum, other important risk factors include:

- **Market Risk** – The markets, as a whole, could collapse, resulting in a decrease in the value of fund investments. This is also referred to as systemic risk.
- **Management Risk** – The success and failure of our investment strategies, research, analysis and determination of portfolio holdings will affect the value of investments.
- **Real Estate Ownership** - Investments will be subject to the risks generally incident to the ownership of real property and loans, including: uncertainty of cash flow to meet fixed and other obligations; uncertainty in capital markets as it relates to both procurements of equity and debt; adverse changes in local market conditions, population trends, neighborhood values, community conditions, general economic conditions, local employment conditions, interest rates, and real estate tax rates; changes in fiscal policies; changes in applicable laws and regulations (including tax laws); uninsured losses; delays in foreclosure; borrower bankruptcy and related legal expenses; and other risks that are beyond the control of the General Partner. There can be no assurance of profitable operations because the cost of owning the properties may exceed the income produced, particularly since certain expenses related to real estate and its ownership, such as property taxes, utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. Moreover, although insurance is expected to be obtained to cover most casualty losses and general liability arising from the properties, no insurance will be available to cover cash deficits from ongoing operations.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Pathfinder Partners is the investment adviser to a family of affiliated, private real estate funds. Pathfinder Partners is not engaged in any other business activities and offers no services other than those described in this Disclosure Brochure.

Affiliated General Partners

As detailed in Item – Advisory Business, we have two affiliated companies that serve as managing member or general partner to the real estate funds we manage. Those entities are.

- Pathfinder Partners Realty Ventures, LLC
- Pathfinder Partners Realty Ventures III, LLC
- Pathfinder Partners Realty Ventures IV, LLC

Specifically, Pathfinder Partners maintains controlling ownership and interest in both entities. Thus, we are not independent from the real estate funds we manage and have a direct and beneficial interest in all real estate funds we manage. Further, our owners and managing directors have personally invested in real estate funds under our management.

We are also responsible for soliciting new investors into the real estate funds we manage. However, we do not have individual, retail clients and do not work with real estate fund investors on an individual basis to provide advice regarding their personal investments outside of Pathfinder real estate fund holdings. Thus, we do not recommend, advise or even discuss other real estate private funds (not under our firm's management) that may be more suitable for an individual investor or that may be performing better than the real estate funds under our management.

Please refer to Item 5 – Fees and Compensation and Item 6– Performance-Based Fees and Side-By-Side Management for a description of the material financial interest we have in our affiliated real estate funds we manage and the potential conflicts of interest.

Pathfinder Management and Operations Company, LLC

Pathfinder Management and Operations Company, LLC is an affiliated company that provides general administrative services to Pathfinder Partners, Affiliated General Partners and funds including office space, administrative and executive employees, accounting services, legal services and other services as requested by affiliates. The management fees earned by Pathfinder Partners are assigned and paid to Pathfinder Management and Operations Company to compensate for these services.

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

Code of Ethics Summary

As an investment advisor, Pathfinder Partners has established a Code of Ethics. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers Insider Trading and Personal Securities Transactions Policies and Procedures. We are committed to conducting business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided. Business and investor dealings will be honest, ethical and fair. We attempt to avoid or at least disclose all circumstances that might negatively affect or appear to affect our duty of loyalty to clients and investors of the funds we manage. This

disclosure is provided as a summary of the Firm's Code of Ethics. However, if you would like to review the Firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

To align their personal interests with those of the Pathfinder Partners family of real estate private funds, the owners and managing directors of Pathfinder Partners have invested a significant portion of their investable assets in several Pathfinder Partner managed funds. Should the firm advise clients other than the our affiliated real estate funds, our personnel could have a conflict of interest to allocate more favorable investment opportunities to affiliated real estate funds over other client accounts. However, because we do not serve as investment adviser to individual clients, including investors in our affiliated real estate funds, our personnel do not recommend other investment alternatives to individual clients.

Pathfinder Partners and our employees may buy or sell investments for our personal accounts that are also held by our affiliated real estate funds; provided, however, neither the firm nor any employee may directly or indirectly engage in any activity which jeopardizes the firm's ability to render unbiased investment advice. Because our employees have invested in some of our managed real estate funds, but not all, there is the potential conflict of interest that our Investment Committee will favor the real estate funds through which our employees invest over those real estate funds we have not personally invested in. We have implemented procedures designed to control for this potential conflict of interest. Pathfinder Partners Realty Ventures, LLC or Pathfinder Partners Realty Ventures III, LLC serve as managing member or general partner of all real estate funds under our management. Thus, regardless of an employee's personal investments, we take a direct ownership and active approach to all real estate private funds.

To avoid conflicts of interest, the firm has adopted certain policies and procedures, including, restrictions on the firm and its employees from having priority over, or trading ahead of, client accounts in the purchase or sale of investments; and restrictions on the firm or its employees trading on material non-public information. Employees (including all partners, officers and directors) must attain pre-approval from our Chief Compliance Officer when personally investing (purchasing or selling units) in one of our real estate funds and prior to holding or selling investments also held in our real estate funds.

Item 12 – Brokerage Practices

This item does not generally apply to our brochure because we do not recommend, purchase or sell securities through brokerage platforms. The investments made by our client real estate funds generally do not require the use of a broker/dealer. In the slight possibility that a brokerage platform is required in connection with the purchase and/or sale of certain securities by funds we manage we will have authority to select a particular broker/dealer when needed.

1. Pathfinder Partners does **not** receive any research or soft-dollar benefits from a broker/dealer.
2. Pathfinder Partners does **not** recommend or select broker/dealers based on receiving client referrals from broker/dealers. The firm does not receive any client referrals from broker/dealers.
3. Pathfinder Partners does **not** require the use of a particular broker/dealer.

We have a duty to select broker/dealers based on the best interest of our clients. In this regard, the primary factor in selecting a broker/dealer is that the services of the broker/dealer are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer selected must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when selecting a broker/dealer.

Item 13 – Review of Accounts

Our Managing Directors, Lorne Polger, Mitch Siegler, and Scot Eisendrath serve on the firm's Investment Committee and are responsible for making investment decisions with the assistance of the firm's research analysts. Periodic reviews of fund portfolio positions are made on at least a monthly basis and more frequently when a property or asset is being considered.

We provide the following reports to investors in each of our client real estate funds:

On an annual basis:

- Audited financial statements.
- Tax information for the completion of tax returns.

On a quarterly basis:

- Reports detailing new investments made. Such reports will also provide details of current holdings and other general matters of investment opportunities.

Item 14 – Client Referrals and Other Compensation

Pathfinder Partners does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 and Item 6 of this Disclosure Brochure and, for some funds, an acquisition fee of 1% of the equity invested by a fund into a particular investment. Pathfinder Partners receives no other forms of compensation in connection with providing investment advice.

Item 15 – Custody

Our affiliated companies, Pathfinder Partners Realty Ventures, LLC, Pathfinder Partners Realty Ventures III, LLC, and Pathfinder Partners Realty Ventures IV serve as general partner or managing member of the real estate funds we manage and as such have access to real estate fund assets and holdings.

Subsequently, in order to comply with SEC and state custody rules, the client real estate funds we manage are annually audited by a Public Company Accounting Oversight Board (PCAOB) registered and inspected independent accounting firm. The audited financial statements are distributed to all investors within 120 days of year end.

Item 16 – Investment Discretion

Pathfinder Partners maintains discretionary authority over the trading account of real estate funds managed by Pathfinder Partners to select real estate properties on a privately negotiated basis. We will have the authority to determine the type of real estate properties and investments to be bought or sold for fund portfolios. Our discretionary authority will be granted in the investment management agreement between Pathfinder Partners and each real estate fund.

Item 17 – Voting Client Securities

We do not provide proxy voting services. In fact, the investments made by our firm generally do not issue proxies or distribute other voting measures.

Item 18 – Financial Information

This Item 18 is not applicable to this brochure. Pathfinder Partners does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Pathfinder Partners has not been the subject of a bankruptcy petition at any time.