

**Item 1. Cover Page**

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**

**March 25, 2014**

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*This brochure provides information about the qualifications and business practices of BLT Fund Manager, LLC ("the "Firm"). If you have any question about the contents of this brochure, please contact us at (203) 644-1515. 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. Advisors is registered as an investment adviser with the SEC. Registration with the SEC simply means that the Firm is authorized to provide investment advisory services and does not imply a certain level of skill or training.*

*Additional information about the Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2. Material Changes**

There have been no material changes to the Brochure since our initial filing.

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## Item 4. Advisory Business

BLT Fund Manager, LLC (the "Firm") was formed under the laws of the State of Connecticut on January 31, 2011. The Firm's owners are CRK Holding, LLC and PJK Holding, LLC. CRK Holding and PJK Holding are each single member limited liability companies that are owned by Carl Kuehner and Paul Kuehner respectively. The Firm's Manager is Gregory Bates.

The Firm provides non-discretionary investment management services to private pooled investment vehicles (the "JVs"), which invest in real estate equity and debt.

The JVs are structured as private equity type investment vehicles. The JVs obtain capital funding commitments from the two third party fund investors, and call capital against the unfunded commitments as needed for specific investments.

In the current JVs the Firm advises, the three members are i.) the Managing Member, an affiliate of the Firm; ii.) the Investor Member, which together with the Managing Member are the Voting Members; and iii.) a Passive Member.

During the life of the JVs, the JV managing member will, from time to time, call on all investors to make capital contributions of a portion of their capital commitments to the respective JV in proportion to the investors' respective capital commitments to satisfy one or more calls for capital for investments and related expenses and fees. Investments provide a return to the JV through distributions of operating cash flow, net proceeds from loan refinancings, and net proceeds from the sale of the investments. The JV investors typically receive a preferred return on their investments and a return of its capital, pro-rata with the Managing Member of the respective JV after which the proceeds are split in an agreed upon split of the profits.

The JVs the Firm advises may make investments in real estate developments that are owned, in whole or in part by affiliates of the Firm. In addition, affiliates may act as lenders to assets owned by the JVs. All transactions with affiliates will require unanimous consent of the Managing Member of the JV and the Investor Member (collectively the "Voting Members") or a committee comprised of the Voting Members. All such transactions must be made on an arm's length basis and on market terms. The Firm provides fund management and investment advisory services relating to acquisition, ownership, operation and sale of interests in real estate. Those services may include, but not be limited to the following:

1. Provide general investment advisory services, including recommendations as to, and identification of, potential investments;
2. Conduct due diligence in connection with potential investments and provide the JVs with investment memoranda and analyses;
3. Assist the JVs' Managing Member with regard to inquiries made by other JV members;
4. Analyze, structure and negotiate acquisitions and disposition of JV investments;
5. Identify, structure, negotiate and assist in obtaining financing in connection with proposed or existing JV investments;
6. Supervise the preparation and review of documents required to complete investment acquisitions and disposition on behalf of the JVs;
7. Monitor and report the performance of JV's investments;

8. Develop and assist in the execution of exit strategies in connection with JV investments;
9. Communicate with the JVs' Managing Member with regard to all aspects of the JVs;
10. Maintain the principal books and records of the JVs to the extent they are not maintained by JVs' Managing Member;
11. Consult with the JVs' auditors, legal counsel and other professionals as may be necessary; and
12. Negotiate, execute and deliver contracts on behalf of the JVs, including, but not limited to contracts for property management.

As of December 31, 2013, the Firm advised five JVs on a non-discretionary basis with an approximate total value of \$819,455,450.

## **Item 5. Fees and Compensation**

### **Management Fee from the Funds**

The Firm has entered into Fund Management Agreements with the JVs. Pursuant to each of those Fund Management Agreements, the JVs pay a management fee ranging from 1.0% to 1.1% per annum based on capital contributed by investors in the JVs. For more details regarding the Fund Management Agreements, please refer to the Fund Management Agreement for the specific JV.

The fee is paid monthly in arrears. The JVs are billed monthly for the management fee. Fees are not negotiable.

### **Carried Interest**

Affiliated entities of the Firm or employees of the Firm and those affiliated entities, may also earn a carried interest or incentive fee of up to 30% of cumulative net profits, subject to a preferred return, in accordance with the allocation and distribution provisions of each respective JV's governing documents.

### **Other Fees**

Detailed information regarding the fees charged to the JVs is provided in each JV's respective governing documents. In addition to management and carried interest fees, investors will indirectly bear any fees and expenses charged to the JVs. Those fees and expenses will vary, but generally include management fees and other compensation paid to real estate property managers and developers; legal, consulting and accounting fees; taxes; commissions and brokerage fees, where applicable; certain fees to government regulatory agencies; the cost of directors and officers liability insurance; due diligence costs for new investment opportunities; and other expenses allowable under the terms of the JV's respective governing documents. Some of the fees outlined above may be payable to affiliates of the Firm (see Item 10 of this Brochure). Investors should carefully review all fees charged by the Firm, its affiliates, and others to fully understand the total amount of fees to be paid by the JVs and, indirectly, their investors.

**Item 6. Performance-Based Fees and Side-By-Side Management**

The Firm does not receive performance-based fees. As stated in Item 5 above, the JVs may in certain cases pay a carried interest of up to 30% of the cumulative net profits of an investment to affiliated entities of the Firm.

The carried interest structure may create an incentive for the Firm (and affiliates) to recommend more speculative investments and make different decisions regarding the timing and manner of the realization of such investments than would be made if such carried interest were not allocated to the affiliates.

## **Item 7. Types of Clients**

The Firm provides advisory services to various JVs as described in Item 4 above. The third party Investors in the JVs include trusts and institutional investors. There is no prescribed minimum investment for any of the JVs.



## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

The Firm considers a number of factors when analyzing investment opportunities. Depending upon the asset class and geography of a potential investment and regardless of whether the investment strategy is land, development, physical renovation or a management turnaround, the Firm always uses a consistent valuation framework. Generally speaking, the Firm's philosophy focuses on triangulating on a valuation via discounted cash flow (DCF) analysis, a price per square Foot analysis using the Comparable Sales and Discount to Replacement Cost approaches, and a cap rate analysis based on in-place net operating income (NOI). The Firm's perspective is that using multiple valuation metrics provides a balanced approach to establishing a market-based price for an asset. Given the cyclical nature of real estate investing, the Firm also focuses on spot market pricing relative to peak and trough pricing metrics for the given asset class and geography. If all valuation techniques triangulate around the same general valuation, the approach is straightforward. However, frequently only two out of three metrics provide common results while the third is a slight outlier. The Firm focuses on the outlier valuations to identify deal-specific risks and opportunities.

The Firm considers a number of factors when identifying potential investments, including: the strengths and weaknesses of our local operating partners, the physical condition of the property, the financial and operating performance of the prior owner, the design and architectural plans (when applicable); the comparative value of the cost of capital (debt and equity) and the optimal capital structure for the transaction; the immediate submarket and the growth prospects for the area, the amount of capital returned from operating distributions versus refinancing or sale, the impact of governmental or regulatory changes on the marketplace; the current health and future plans of existing tenants, and the accuracy of the underlying cash flows.

### **Investment Strategies**

The Firm seeks to identify and acquire, on behalf of its clients, real estate investments that fit within the parameters established by each of the JV's organizational documents. The investments acquired by the respective JVs may include debt or equity investments in real estate assets or equity investments in operating companies with third party sponsors.

The Firm's investment process is intended to maximize a JV's risk-adjusted returns, which is the total return cash flow and capital appreciation adjusted for the real and perceived risk of loss. The Firm seeks investments that meet the specified investment criteria and restrictions set forth in the JV's organizational documents, and which will benefit from strategies in which the Firm and its key employees have experience: new construction, land assemblage and entitlement, physical improvements, revenue maximization and cost control, and recapitalizations.

**Material, Significant or Unusual Risks Relating to Investment Strategies & Particular Types of Investments (i.e., Real Estate)**

An investment in any JV involves a high degree of risk and is suitable only for those investors willing to risk losing some or all of their principal investment and who have the experience and ability to evaluate the risks and merits of an investment in a JV. Investors should be aware that an investment's value may be volatile and any investment involves the risk that you may lose money.

The value of the JV's investments will vary day to day in response to many factors, including in response to adverse macros issues (political, regulatory, market or economic developments) and unforeseen micro issues (local operating partner performance, weather, local employment, etc.). The value of an individual security or a particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

The real estate industry is particularly sensitive to economic downturns. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, tax and regulatory requirements, overbuilding, extended vacancies of properties, and the issuer's management skill. As a consequence, investments related to real estate may be more volatile than other investments. Mortgage-backed securities are subject to the risk that mortgagors may not meet their payment obligations and/or prepayment risk. Each investment also has its unique interest rate and payment priority characteristics. Listed below are some of the primary risks that each client should evaluate prior to investing in the JV:

**Investment Risk.** A JV's investments will involve a high degree of risk, including risks associated with investing in real estate, exposure to unfavorable business cycles, resistance from creditors and other uncertainties. There can be no assurances that a JV will achieve its investment objectives.

**Real Estate Risks.** Investments in real estate are subject to various known and unknown risks, including, unforeseen changes in the local, national and global economy, dynamic shifts in the geopolitical environment, the financial conditions of tenants; changes in the number of buyers for a specific asset type or geography; increases in the supply of product relative to demand; changes in availability and terms of third party financing; increases in interest rates, real estate tax rates, energy prices, and other operating expenses; changes in environmental laws and regulations, zoning laws and other governmental rules and policies; volatility of real estate cash flows that can affect debt service and overall returns; commodity and labor prices impacting the cost of construction, as well as acts of God, terrorism, labor shortages, material shortages, uninsurable losses and other factors which are beyond the control of the Firm.

**Illiquidity and Pricing of Investments.** There will be times during the business cycle where there may be little or no active market for many of a JV's investments and, therefore, a JV may not be able to dispose of an investment when it desires to do so or may dispose of an investment at a price that is not commensurate with the valuation assigned by a JV to such investment.

**Availability of Suitable Investments.** There can be no assurance that suitable investments will be available for investment by a JV.

**Dependence on Real Estate Team and its Prior Performance.** A JV is dependent to a substantial degree on the continued service of members of its team. Should all or some members of the team discontinue their services to a JV it may materially negatively affect the performance of a JV.

**Environmental Risks.** Environmental laws often impose responsibility for investigation and cleanup of hazardous substances and materials on the owner and operator of a site without regard to culpability. Uncertainty as to whether properties in which a JV has invested are in compliance with such laws could adversely affect the value of such investments.

**Joint Venture Investments.** Investments in joint ventures often involve delegating significant discretion with regard to operational issues to joint venture partners and often require the approval of the partners for major decisions in the joint venture. Joint venture partners may have tax or financial goals that are different from those of a JV, which could cause them to act in a manner not consistent with a JV's objectives. Joint venture partners may be highly dependent upon one or a limited number of individuals, the unavailability of whom may adversely affect the value of the joint venture investment.

**Distressed Debt Investments.** A JV may invest in debt of borrowers that have defaulted or are anticipated to default. Bankruptcy and other insolvency proceedings are expensive, highly complex and may result in unpredictable outcomes. There can be no assurances that a JV will obtain favorable results in such proceedings, or that the results would be known in a reasonable timeframe.

**Use of Leverage.** It is expected that a JV will leverage its investments and that certain of the entities in which a JV invests will themselves be borrowers, potentially resulting in substantial amounts of aggregate leverage relative to the underlying assets. While leverage may increase returns, it also will increase the risk of loss.

**Lack of Liquidity for Units.** Interests in a JV will not be listed for trading on any exchange or be transferable without the consent of the General Partner or Managing Member, as applicable. Investors should not expect to be able to liquidate their investment in a JV prior to the liquidation of a JV.

**Other JVs and Accounts Managed by the Firm.** The Firm personnel responsible for making investments on behalf of a JV are also responsible for making investments on behalf of other JVs and accounts.

**Market Forecasts.** The Firm's in-house analysis also leverages third party research firm to help provide perspectives on supply/demand, revenue forecasts for occupancy and rental rate, expense forecasts and capital markets forecasts for exit cap rates. Given the historic volatility of these metrics, there can be no assurance that these forecasts will be correct or even mostly correct.

**Incentive Compensation Arrangement.** Due to the fact that an affiliate of the Firm will be entitled to a “carried interest” in a JV’s profits, the Firm may have an incentive to take more risk than would be the case in the absence of such incentive compensation arrangement.

**Litigation.** The acquisition, ownership, management and disposition of property carries potential litigation risks, which could result in unexpected losses to a JV.

## **Item 9. Disciplinary Information**

The Firm and its employees have not been involved in any legal or disciplinary events.

## **Item 10. Other Financial Industry Activities and Affiliations**

As stated above, affiliates of the Firm act as Managing Members of the JVs and are investors in the JVs along with third party investors. Subject to a preferred return, the Managing Members receive a carried interest on investments made by the JVs. Such arrangements are disclosed to all third party investors in the JVs prior to making the investment. In addition, as noted above, the JVs may make investments, either in equity or debt structures, in real estate developments owned, in whole or in part, by affiliates of the Firm. Affiliates of the Firm are also owners of other real estate investment and development firms. Investments suitable for the JVs may also be suitable for those affiliated firms. To mitigate that conflict, the JV operating agreements provide that when an investment opportunity arises that would be suitable for a JV, the JV has the right of first refusal for such an investment. Only after the JV has opted not to invest, can an affiliate of the Firm invest in that opportunity.

Affiliates of the Firm may provide services to the JVs, such as real estate management and development services. Contracts for services with affiliates of the Firm require unanimous consent of the Voting Members.

The JVs have, and may in the future, buy real estate investments from or sell real estate investments to affiliates of the Firm or the Investor Member. In order to mitigate the apparent conflict, the individual JV agreements require unanimous consent of the Voting Members or a committee comprised of the Voting Members in order to consummate such transactions and all such transactions must be made on an arm's length basis and on market terms.

In addition, there may be potential conflicts in the case of different JVs invested in a real estate investment with different security preferences. The different capital structures may result in the JVs having different investment objectives and potentially conflicting time horizons for the disposition of a real estate investment. In providing investment recommendations with regard to a specific real estate investment, including its disposition, the Firm attempts to act in the best interests of all clients and to fully disclose any potential conflicts to third party investors.

The Firm's Chief Compliance Officer (the "CCO") serves as Chief Financial Officer for an affiliate of the Firm. This presents a potential conflict because the CCO will be expected to devote adequate time to fulfill his obligations to both the Firm and its affiliate. In addition, he will be expected to ensure that the Firm's compliance program effectively addresses any conflicts of interest between the affiliate and the third party investors in the JVs. The CCO has made arrangements to spend sufficient time to carry out his duties as CCO of the Firm. The Firm and its affiliates are located on the same premises, which should facilitate the CCO's dual responsibilities. Furthermore, the Firm has engaged a third party compliance consulting firm to assist the CCO in addressing potential conflicts and other regulatory matters that may arise.

As discussed above, the Firm shares office facilities with its affiliates. The Firm has entered into a services agreement with the affiliates regarding various professional and administrative services to be rendered by the affiliates to the Firm.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading**

The Firm maintains a Code of Ethics (the "Code") that describes its fiduciary duty to its clients and sets standards for business conduct. The following is a summary of the key provisions of the Code:

**Scope** - The Code covers all directors, officers, partners, employees, and any other persons who are under the Firm's supervision and control.

**Fiduciary Duties** - This Code is based on the principle that the Firm and its employees owe a fiduciary duty to the Firm's clients. Accordingly, the Firm and its employees must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of the Firm's clients.

**Personal Securities Trading** - All employees and certain employees of affiliates who may be deemed access persons are subject to certain trading restrictions. In addition, such access persons must report their personal securities transactions quarterly and personal securities holdings annually.

**Code of Conduct** - The Code contains specific topics designed to reflect the Firm's commitment to ethical conduct. These topics include compliance with legal and regulatory requirements, gifts, outside activities, entertainment and board directorships. The Firm also maintains insider trading policies and procedures.

**Code Violations** - The Code requires that all employees report any actual or apparent violation of the Code, and provides for a prohibition on retaliation against any person who reports such violations. Appropriate sanctions are included for Code violations.

You may receive a copy of the Firm's Code by contacting its Compliance Department at (203) 644-1515.

## **Item 12. Brokerage Practices**

The Firm does not advise its clients on matters involving brokerage transactions in publicly traded securities.



**Item 13. Review of Accounts**

Pursuant to the Fund Management Agreements, the Firm actively monitors and manages the assets and the performance of the JVs that it advises, as well as potential exit strategies and other means of adding value to the JVs' investments. Major developments (as determined by the Firm) with respect to the JVs are communicated to investors regularly. In addition, investors receive annual audited financial statements as well as individual capital account statements (Form K-1).

## **Item 14. Client Referrals and Other Compensation**

This section is not applicable to the Firm.

**Item 15. Custody**

Investors will receive statements directly from a qualified custodian. If the Firm sends out account statements to investors, the Firm will include a statement urging investors to compare the account statements it receives from the Firm to those it receives from the custodian.

**Item 16. Investment Discretion**

The Firm acts as the investment manager for the JVs on a non-discretionary basis. The Managing Member of the individual JVs has the authority to manage the applicable JV in accordance with the terms set forth in the JV organizational documents.

## **Item 17. Voting Client Securities**

The Firm shall have no responsibility or authority to actually vote any security on behalf of the JVs, but may make recommendations to the Managing Members of the JVs whenever a corporate action is requested or required with respect to any JV investment.

**Item 18. Financial Information**

The Firm does not require or solicit fees from clients six months or more in advance. Therefore, the Firm is not required to include a balance sheet for its most recent fiscal year.

The Firm does not have any financial condition to disclose that is likely to impair its ability to meet contractual commitments to clients. Furthermore, the Firm has never been the subject of a bankruptcy petition.