

ITEM 1 – COVER PAGE

EDGE PRINCIPAL ADVISORS, LLC



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**PART 2A OF FORM ADV
(THE “BROCHURE”)**

March 2015

This Brochure provides information about the qualifications and business practices of Edge Principal Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 547-4380. 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.

Edge Principal Advisors, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information about Edge Principal Advisors, LLC is available on the SEC’s website at: www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This Brochure contains material changes to the Form ADV Part 2 Amendment filed by Edge Principal Advisors, LLC on March 25, 2014 (the “Amended Brochure”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Amended Brochure.

This Brochure has been revised to update the clients and amount of client assets managed by Edge Principal Advisors, LLC.

ITEM 3 – TABLE OF CONTENTS

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 3 – TABLE OF CONTENTS	2
ITEM 4 – ADVISORY BUSINESS	2
ITEM 5 – FEES AND COMPENSATION	3
ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	4
ITEM 7 – TYPES OF CLIENTS	5
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	5
ITEM 9 – DISCIPLINARY INFORMATION	13
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	13
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	16
ITEM 12 – BROKERAGE PRACTICES	17
ITEM 13 – REVIEW OF ACCOUNTS	18
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	18
ITEM 15 – CUSTODY	18
ITEM 16 – INVESTMENT DISCRETION	18
ITEM 17 – VOTING CLIENT SECURITIES.....	19
ITEM 18 – FINANCIAL INFORMATION	19

ITEM 4 – ADVISORY BUSINESS

Edge Principal Advisors, LLC (the “Management Company”) manages assets on a discretionary basis on behalf of private pooled investment vehicles. The Management Company operates as a single advisory business together with its affiliated general partners, Edge Principal Partners, L.P., Edge Principal Partners II, LLC, and Edge Principal Partners III, LLC (each, a “General Partner” and together with the Management Company and their affiliated entities, “Edge” or the “Company”), which are also registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners.

Edge presently provides investment advisory services to Edge Principal Investments, L.P., Edge Principal Investments II, L.P., Edge Vista I, L.P., Edge Vista II, L.P., Edge Park & Coast Coinvest, L.P., Edge GAI Investors, L.P., and Edge Principal Investments III, L.P. (the “Funds”).

The Funds are private equity real estate funds that invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Edge’s investment advisory services to the

Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Edge or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant limited partnership agreement. The Funds or the General Partners may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant limited partnership agreement with respect to such investors.

Additionally, from time to time, Edge may provide (or agree to provide) certain investors or other persons, including Edge's personnel and/or certain other persons associated with Edge and/or its affiliates (to the extent not prohibited by the applicable limited partnership agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from a Fund. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-invest vehicle may be charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

As of December 31, 2014, Edge's regulatory assets under management were approximately \$827 million. Edge was formed in 2008 and is principally owned by Tiber Capital Corp., which is owned by Village Drive 2012 Trust and Rustic 2011 Trust. Radion Segal is the trustee of both Village Drive 2012 Trust and Rustic 2011 Trust.

Please refer to the Funds' offering documents for more detailed information regarding the topics discussed in this Brochure.

ITEM 5 – FEES AND COMPENSATION

The Funds pay Edge a management fee up to 2% of the aggregate commitment of each investor, which is collected semi-annually or quarterly in advance. Management fees are generally directly deducted from the Funds' assets. Upon termination of any advisory agreement or mandatory withdrawal, management fees that have been paid in advance are returned on a prorated basis.

The organizational and offering documents for each Fund include a more detailed explanation of the amount and manner of calculation of the management fees for each such Fund. Edge or an affiliate of Edge is also entitled to receive a distribution of the investment gains generated in the Funds ("Carried Interest"), generally subject to the return of capital to Fund investors in addition to a certain rate of return on invested capital.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant limited partnership agreement, over the term of the relevant Fund and investors generally are not permitted to withdraw or redeem interests in the Funds.

The Funds are responsible for their initial and ongoing costs and expenses associated with their operations including, without limitation, organizational expenses, brokerage commissions, research expenses, quotation and valuation expenses, general legal expenses including legal fees associated with the negotiation of specific investor terms, accounting and auditing expenses, and investment-related consultants and other service provider expenses, investment related travel costs, expenses incurred with respect to the preparation, duplication and distribution of offering documents, annual reports and other financial information, other offering expenses, other operational expenses and extraordinary expenses. The Funds also are responsible for all transaction related expenses, whether or not the transaction is consummated, including fees and expenses of lenders, investment banks and other financing sources in connection with the arranging of financing for transactions, and any down-payments which are forfeited in connection with unconsummated transactions.

Edge may waive or agree to reduce a management fee (or Carried Interest). Edge may exempt certain investors in the Funds from payment of all or a portion of management fees and/or Carried Interest, including Edge and any other person designated by Edge. Any such exemption from fees and/or Carried Interest may be made by a direct exemption, a rebate by Edge, or through other Funds which co-invest with a Fund. For example, in instances where an Edge professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the management fee and Carried Interest with respect to such Fund. Additionally, to the extent permitted by the relevant limited partnership agreement, Edge may have the right to permit investors, affiliated with Edge or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees or Carried Interest.

In certain circumstances, one Fund may pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. Edge may also advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate. In certain cases, a co-investment vehicle may be formed in connection with the consummation of a transaction. Such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. If a proposed transaction in which a co-investment was planned is not consummated, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, no such co-investment vehicle generally will have been formed, and the full amount of any expenses associated with unconsummated transactions ("Broken Deal Expenses") would therefore be borne by the Fund or Funds that were to have participated in such proposed transaction, and not by any prospective co-investors. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle may bear its share of such Broken Deal Expenses.

Edge is responsible for all of its overhead costs and expenses, including office expenses and compensation of employees.

ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Net profits attributable to the disposition of portfolio investments, distribution of securities or interest income with respect to portfolio investments will be allocated among and distributed to investors and the general partner, which is an affiliate of Edge. Each general partner is entitled to receive a Carried Interest, up to 20%, of each distribution of net Fund profits, generally subject to the return of capital to Fund investors in addition to a certain rate of return on invested capital.

These fee arrangements may create an incentive for Edge to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

All fees charged by Edge will be in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended. Economic arrangements may vary and are subject to the terms of the Fund. Additional information regarding fees and other expenses attributable to the Funds are addressed in the applicable offering documents and partnership agreements.

The payment of Carried Interest by some but not all Funds or the payment of Carried Interest at varying rates may create an incentive for Edge to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate. Any subsequently formed fund may have the right to co-invest with existing Funds, but the existing Funds generally will be given the first opportunity to participate in an investment opportunity ahead of any subsequently formed fund. Nonetheless, Edge's affiliates, including Aterian Investment Advisors, LLC, LS Power Development, LLC, LS Power Equity Advisors, LLC, LSP Credit Advisors I, LLC, and Luminus Management, LLC, are not restricted from engaging in or managing projects in connection with ongoing development and asset management activities.

If the Funds invest in publicly traded securities, Edge may aggregate orders of its affiliates and/or related parties with those of the Funds if, in Edge's opinion, aggregation is not expected to impact the price or availability of the security. Subsequent orders for the same security may be aggregated with any previously unfilled orders. Filled orders may be allocated separately from subsequent orders or, in instances where the market price of the security has not materially changed, subsequent orders may be aggregated with filled orders. Funds participating in an aggregated order shall receive the average price and pay a pro rata portion of commissions subject to any applicable broker dealer minimum ticket charges.

ITEM 7 – TYPES OF CLIENTS

Edge's clients are unregistered pooled investment vehicles. The Funds are structured as limited partnerships or similar legal entities which Edge and its related parties control. The Funds rely on rules promulgated under the United States federal securities laws that exempt privately offered partnerships from registering as investment companies.

In addition, investors in the Funds generally are (i) "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, and/or (ii) "qualified purchasers" within the meaning of the Investment Company Act of 1940, as amended. Prospective investors may be required to meet additional suitability requirements. Investors considering investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategy

The Edge Funds' investment strategies generally focus on multi-strategy, opportunistic real estate investments. Edge seeks to identify both debt and equity opportunities with consistent cash flow, often in out-of-favor asset classes. Edge also seeks to identify favorable distressed and broken deal investment opportunities.

Risk Factors

Lack of Operating History; No Assurance of Investment Return

The Funds have only recently commenced operations and therefore has limited operating history upon which prospective investors may evaluate its performance. The prior investment performance of the Funds and the investment professionals described herein does not necessarily represent the prior performance of the investment program to be pursued by the Funds and is not be indicative of the future results of the Funds. The General Partner cannot provide assurance that it will be able to choose, make and realize investments in any particular company or group of companies. There is no assurance that the Funds will be able to generate returns for their investors or that the returns will be commensurate with the risks of investing in the type of assets, companies, industries and transactions described herein. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that projected or targeted returns for the Funds will be achieved.

Nature of Investment

An investment in the Funds requires a long-term commitment, with no certainty of return. Because of the nature of the Funds' investments and investment strategy, there can be no assurance that the Funds will be able to realize returns on such investments in a timely manner or at all. The return of capital and the realization of gains, if any, from an investment may not occur until a number of years after such investment is made, if at all. The return of capital and the realization of gains, if any, from an investment generally are expected to occur only upon the partial or complete disposition or refinancing of such investment. While an investment may be sold at any time, it is generally expected that such disposition will not occur for a number of years after the initial investment.

Restrictions on Transfer and Withdrawal; Lack of Liquidity

The Fund interests have not been registered under the Securities Act or the securities laws of any state or other jurisdiction, and cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. There is no public market for the Fund interests and none is expected to develop. In addition, the Fund interests are not transferable except with the prior consent of the General Partner, which may be withheld by the General Partner in its sole discretion, and subject to the terms and conditions of the partnership agreements. Investors may not withdraw capital from the Funds. Accordingly, an investment in the Funds should be regarded as illiquid, and investors will be required to bear the risk of their investment for an extended period of time.

Dependence on Key Personnel

The success of the Funds depends in substantial part upon the skill and expertise of the principals and the other individuals employed to assist them. There can be no assurance that the principals will continue to be members of or employed by the General Partners or the Management Company. The loss of service to the Funds of one or more principals could have a material adverse effect on the success of the Funds.

Lack of Operating Control of Underlying Investments

The selection, negotiation, and structuring oversight policies of the Funds are determined by the General Partners. To the extent permitted by the partnership agreements, these policies may be changed from time to time at the discretion of the General Partners without the consent or the ratification of the investors. Although the General Partners have no present intention to make any such changes, any such changes could be detrimental to the value of the Fund interests.

Limited Partners Will Not Participate in Management of the Fund

Investors in the Funds will not have the right to participate in the management of the Funds or in decisions made by the General Partners of the Funds on their behalf. As a result, investors will have almost no control over their investments in the Funds or their prospects with respect thereto.

Availability of Suitable Investment Opportunities; Limited Number of Investments

The real estate investment industry in which the Funds will be engaged is highly competitive, and the identification of attractive investment opportunities fitting the Funds' investment objectives is difficult and involves inherently a high degree of uncertainty. There can be no assurance that the Funds will be able to locate and complete investments that satisfy the Fund's rate of return and investment objectives or realize upon their values or that the Funds will be able to invest fully their committed capital. Additionally, the Funds may participate in only a limited number of investments and, as a consequence, the aggregate return of the Funds may be substantially and adversely affected by the unfavorable performance of a single investment.

Mandatory Withdrawal

The General Partners have the authority to require an investor withdraw from a Fund prior to the termination and liquidation of the Fund if the General Partner determines that the continued participation in the Fund of such investor could materially adversely affect the Fund. An investor required to withdraw early from a Fund could suffer a material loss on its investment.

Distributions in Kind

Although, under normal circumstances, the Funds intend to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of the Funds) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Risks Upon Dispositions of Investments

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of itself or the portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the Funds, which might ultimately have to be funded by the investors to the extent that such contingent liabilities exceed the reserves and other assets of the Funds and such investors have received prior distributions from the Funds.

Legal, Regulatory and Tax Risks

The legal, regulatory and tax considerations affecting the Funds are complicated and subject to change and any such changes that occur during the term of the Funds may adversely affect the Funds.

In addition, other legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or

eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private investment fund industry generally or on the Funds, the General Partners or the Management Company, including the ability of the Funds to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Changes in Applicable Law

The Funds must comply with various legal requirements, including requirements imposed by United States and foreign anti-money laundering laws, securities laws, commodities laws, tax laws and pension laws. Should any of those laws change during the term of the Funds, the legal requirements to which the Funds and the investors may be subject could differ materially from current requirements and may adversely affect the Funds. Furthermore, the U.S. securities laws applicable to the Fund interests, the Funds, the General Partners or the Management Company are constantly under review by persons involved in the legislative process and by the SEC, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. These laws may be modified by legislative, judicial or administrative action at any time. Also, the SEC has amended the rules promulgated under the Advisers Act with respect to political contributions and payments by investment advisers to third parties in connection with the solicitation of government clients. These revisions to the U.S. securities laws and interpretations thereof and potential future revisions and interpretations could adversely affect the Funds' interests, the Funds, the General Partners or the Management Company and, in that regard, could require modifications to the Funds' intended investment program or increase compliance costs of operating the Funds. Other jurisdictions are similarly reviewing their respective laws, regulations and policies with respect to private investment funds and their investment advisers and any changes thereto may have an adverse effect on the Fund's interests, the Funds, the General Partners or the Management Company.

Potential European Regulation of the Alternative Investment Industry

The Directive on Alternative Investment Fund Managers entered into force on July 21, 2011. The goal of the Directive is to create a comprehensive and effective regulatory and supervisory framework for the management and marketing of alternative investment fund managers within the EU. The Directive is likely to result in legal and regulatory changes impacting alternative investments and the markets they invest in. It is in many cases still uncertain what form such enhanced scrutiny and/or regulation on the alternative investments industry ultimately may take. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the alternative investments industry, including the ability of the Fund to achieve its objectives. There can be no assurance that the Funds, the General Partners, the Management Company and their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations. To the extent that the Funds or their portfolio companies are or may become subject to regulation by various agencies, the costs of compliance will be borne by the Funds.

Public Disclosure Obligations

The Funds may be required to disclose confidential information relating to the Funds, their investments, their financial results and their investors to third-parties that may request such information if and to the extent required by federal, state or local law or regulation applicable to the Funds or any of their investors, including those investors that are public agencies or governmental bodies. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. In addition, the Funds, the General Partners or the Management Company may be required to disclose information about the investors, including their identities. Such disclosure obligations may adversely affect certain investors,

particularly investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Real Estate Risks Generally

Real property investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including: (i) changes in the general economic climate; (ii) local market conditions (such as an oversupply of space or a reduction in demand for space); (iii) the quality and philosophy of management; (iv) competition based on rental rates; (v) attractiveness and location of the properties; (vi) financial condition of tenants, buyers and sellers of properties; (vii) quality of maintenance, insurance and management services; (viii) changes in operating costs; (ix) changes in interest rates and the availability of financing; (x) uninsured losses or delays from casualties or condemnation; (xi) government regulations (including those governing usage, improvements, zoning and taxes); (xii) potential liability under changing environmental and other laws; (xiii) structural or property-level latent defects; (xiv) acts of God; and (xv) other factors beyond the control of the General Partners. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property) could also create risks of successor liability.

Third-Party Involvement

The Funds may co-invest with third-parties through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that: (i) the Funds and such third-party partner or partners may reach an impasse on a major decision that requires the approval of both parties; (ii) the third-party partner or partners may at any time have economic or business interests or goals that are inconsistent with those of the Funds; (iii) the third-party partner or partners may encounter liquidity or insolvency issues or may become bankrupt; (iv) the third-party partner or partners may be in a position to take action contrary to the Funds' investment objective; (v) the third-party partner or partners may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Funds may be liable for actions of their third-party partner or partners. In addition, the Funds may rely upon the abilities and management expertise of a third-party partner or partners. It may also be more difficult for the Funds to sell their interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. The Funds may grant a third-party partner or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Funds to engage in a buy-sell of the venture with the third-party partner or partners or conduct the forced sale of such investment. As a result of these risks, the Funds may be unable to fully realize their expected return on any such investment.

Refurbishment, Re-development and Development Risks

The Funds may acquire equity or debt interests in investments requiring refurbishment, re-development or actual developments. To the extent that the Funds invests in such activities, they will be subject to all of the risks normally associated with development activities. Such risks include, without limitation, risks relating to (i) the availability and timely receipt of zoning and other regulatory approvals, (ii) the cost and timely completion of construction (including risks beyond the control of the Fund, such as the weather, labor conditions or material shortages) and (iii) the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of any refurbishment, re-development or development activities once undertaken, any of which could have an adverse effect on such investment and on the amount of funds available for distribution to investors.

Uninsured Losses

The Funds will likely maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. There are certain types of losses (generally of a catastrophic nature such as those caused by fire, flood, freeze, hail, hurricanes, drought, severe frost, disease, pests, riots and wars) that are uninsurable, not fully insurable or not insurable on economically feasible terms. If such losses occurred to the investment assets, the Funds could lose both their invested capital and profits anticipated therefrom, and investors could lose their investment, except for the value of the underlying real estate remaining after such event.

Maintenance Costs

The cost of maintaining the Funds' investment assets may be substantial. The Funds will plan for adequate working capital to maintain the assets; however, if circumstances change or if the Funds' projections prove inaccurate, the Funds may not have sufficient working capital to maintain the assets properly. There can be no assurance that the General Partners' decisions with respect to these matters will result in future profitability of the operations or potential development.

Ability to Resell the Property; No Assurance of Property Appreciation or Profits

The resale potential of the investment assets will be affected by those conditions that affect the value of real estate in general, including the possibility of increased interest rates, declining real estate values, low demand for various types of real estate, changes in demographics, changes in tax laws affecting real estate owners, competition from other properties located in the area, zoning changes, or unfavorable general or local economic conditions. Although the Funds in some cases will be seeking real estate that they anticipate will be in the path of development or other resale potential, there can be no assurance that any of the properties acquired by the Funds will be developed for residential, commercial or any other purpose or increase in value during the time period anticipated by the Funds or at any time. Further, no assurance can be given that there will be a ready market for these properties at the time the Funds elect, or are forced, to sell. All investments in real property are illiquid.

Investment in Distressed Assets

The Funds may make investments that either are or become non-performing or otherwise troubled. These investments may experience financial difficulties that may never be overcome, and there can be no assurance that the Funds' rate of return objectives will be realized or that there will be any return of capital. The Funds' investments are likely to be subject to the prior interests of a mortgage lender, which could foreclose on its mortgage (and wipe out the Funds' investment) if a mortgage default occurred. Investments in properties operating under the close supervision of a mortgage lender or under certain bankruptcy laws are, in certain circumstances, subject to certain additional potential liabilities, which may exceed the value of the Funds' original investment. In addition, lenders who have inappropriately exercised control over the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Investments in properties operating in workout modes or under Chapter 11 of the United States Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of the Funds' original investment. Under certain circumstances, payments to the Funds and distributions by the Funds to investors may be reclaimed if such payments or distributions are later determined to have been fraudulent conveyances or preferential payments. Numerous other risks also arise in the workout and bankruptcy contexts. For instance, it is possible that the General Partners may find it necessary or

desirable to foreclose on collateral securing one or more real estate loans purchased by the Funds. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. In some jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy or enter into receivership, administration or its equivalent, potentially staying the foreclosure action or further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Regulatory Matters

The investment assets to be acquired by the Funds will be subject to numerous federal, state and local laws and regulations concerning environmental and safety matters, zoning, development, utilities, land use, and similar laws and regulations. Although the Funds do not anticipate incurring any material costs in compliance with such laws and regulations beyond those regularly incurred, there can be no assurance that future changes in such laws and regulations will not have a material effect on the Funds' operations.

Investment Related Projections

Projections prepared with respect to the operating results of a company or the financial performance of an investment will be based, in part, on information provided by such target company or the seller of such Investment. In all cases, projections are only estimates of future results and are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from such projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Multi-Step Acquisitions

In the event the Funds choose to effect a transaction by means of a multi-step acquisition, there can be no assurance that the remainder can be successfully acquired. This could result in the Funds having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

Global Economic Conditions; Market Dislocation

General global economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Funds. Instability in the securities markets may increase the risks inherent in portfolio investments made by the Funds. To the extent that marketplace events worsen, this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Funds' portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Funds could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current global economic conditions may materially and adversely affect (i) the ability or willingness of certain counterparties to do business with the Funds or its affiliates; (ii) the Funds' exposure to the credit risk of others in its dealings with various counterparties; (iii) demand for the products and services offered by the Funds' portfolio companies; (iv) growth opportunities for the Funds' investments; (v) the Funds' ability to exit their investments at desired times, on favorable terms or at all; (vi) availability

of reliable insurance on favorable terms or at all; and (vii) the ability of the Funds' investors to meet their obligations to the Funds in a timely manner or at all.

Market Conditions

The Funds' strategy in some investments may be based, in part, upon the premise that real estate businesses and assets will be available for purchase by the Funds at prices that the General Partners consider favorable. Further, the Funds' strategy for an investment may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics), or in some circumstances, a local market recovery or improvement in market conditions over the projected holding period for the investments. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable, or as applicable, recover or improve, since this will depend, in part, upon events and factors outside the control of the General Partners.

Financial Conditions of Tenants

Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on the Funds' ability to collect rent payments and, accordingly, on its ability to make distributions to its investors. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and hereby cause a reduction in distributions to the Funds' investors. No assurance can be given that the tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

Availability of Insurance Against Certain Catastrophic Losses

Certain losses of a catastrophic nature, such as wars, earthquakes, floods, landslides, hurricanes, tornados, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. To the extent losses related such events are insurable at all, they may have high deductibles and other important limitations on coverage. In certain cases, such insurance may be unavailable or cost prohibitive. As a result, not all investments may be insured against such events, or such insurance may be obtained notwithstanding the high cost. If a major uninsured or underinsured loss occurs, the Funds could lose both invested capital in, and anticipated profits from, the affected investments. In addition, high insurance costs could negatively impact the Funds' returns.

Environmental and Contingent Liabilities

The Funds' investments will be subject to various federal, state and local laws, ordinances, regulations and administrative rulings, which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Under such laws, ordinances, regulations and administrative rulings, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Often joint and several liability is imposed on past and present owners and users of real property for hazardous substance remediation and removal costs without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property generally are not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The Funds may, but are not obligated to, purchase adequate insurance to cover the risk of loss from environmental claims based on environmental problems. The presence of such

hazardous substances, or the failure to properly remediate contamination from such hazardous substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Funds' return from such investment. Also, in connection with the disposition of a property, the Funds may be required to make representations about any contingent liabilities inherent in the real estate, such as environmental clean-up costs. The Funds also may be required to indemnify the purchasers of such property to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities for which the Funds may establish reserves or escrows.

General Tax Considerations

The Funds are expected to be treated as a partnership for U.S. federal income tax purposes. Each investor, in determining its U.S. federal income tax liability, will take into account its allocable share of items of income, gain, loss, deduction and credit of the Funds, without regard to whether it has received distributions from the Funds. The Funds may engage in hedging or other similar transactions to protect against interest rate and other risks, and may use current income or proceeds from the sale of assets to pay outstanding liabilities, all of which could cause the Funds, and consequently their investors, to recognize taxable income without receiving any cash. Accordingly, an investor's tax liability attributable to the Funds could exceed the cash distributions from the Funds in any year, and in such case, the investor would have to satisfy its tax liability arising from its investment in the Funds from the investor's own funds. In addition, the Funds will not furnish the investors' final Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. The Funds will provide estimates of such tax information within 90 days after the end of each taxable year, and will provide Schedule K-1s within 180 days after the end of each taxable year (or on or before such later date that is 21 days after the Funds have received all necessary financial statements, Schedule K-1s, or other information necessary to prepare tax returns in respect of any portfolio company investment). Accordingly, the investors will likely have to file requests for extension of time to file their U.S. tax returns. As is generally the case for similar private investment vehicles, an investment in the Fund will give rise to a variety of complex U.S. federal income tax and other tax issues for investors, including issues relating to special rules applicable to certain types of investors, such as U.S. tax-exempt investors, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities. Prospective investors are urged to consult their own tax advisers regarding their specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes and, in the case of prospective investors subject to special rules under U.S. federal tax laws, such as U.S. tax-exempt investors and non-U.S. investors, regarding any special issues that an investment in the Funds may raise for such investors.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the offering document in their entirety and consult their own counsel and advisors before deciding to invest in the Funds.

ITEM 9 – DISCIPLINARY INFORMATION

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

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Edge is affiliated with Aterian Investment Advisors, LLC, LS Power Equity Advisors, LLC, LSP Credit Advisors I, LLC, and Luminus Management, LLC (collectively, "Affiliated Advisors"). In addition, Edge is affiliated with LS Power Development, LLC ("LS Power Development"), which is engaged in the

development, acquisition and management of power generation and transmission infrastructure. Edge and its personnel periodically provide support for certain investment-related activities of Edge's affiliates.

The Affiliated Advisers are presently registered as investment advisers with the SEC in accordance with SEC guidance. Additional information about such Affiliated Advisers is or will be available on the SEC's website at www.adviserinfo.sec.gov

Conflicts of Interest

Edge engages in a broad range of advisory and non-advisory activities, including investment activities for its own account and providing transaction-related, investment advisory, legal, management and other services to the Funds and portfolio companies. In the ordinary course of Edge conducting its activities, the interests of a Fund may conflict with the interests of Edge, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

Edge's affiliates and their respective officers and employees directly or indirectly manage the assets of other funds and have other clients and business activities that may in some respects compete with the Funds for certain investments. In addition, the Funds' investment flexibility may be constrained (e.g., the Funds may be forced to forgo certain potentially profitable investment opportunities or may be unable to dispose of an investment at an opportune time) as a result of certain material non-public information held by Edge or its affiliates or other reasons, including reasons arising from Edge's affiliates' management of other funds.

The Affiliated Advisers, LS Power Development and other affiliates of Edge engage in a broad spectrum of activities, including investment advisory activities. The Affiliated Advisers and other affiliates engage in investment activities for their own accounts or the accounts of others that are independent from and that can potentially conflict with those of the Funds. Edge's affiliates may provide services to, invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities, including prospective investors in the Funds, which may have similar structures and investment objectives and policies to those of the Funds. These other entities may compete with the Funds for investment opportunities or, in certain cases, may invest alongside the Funds in certain transactions.

Edge's affiliates are not obligated to share investment ideas or opportunities with Edge or the Funds, regardless of whether such opportunities are of the same nature as investments generally recommended to the Funds. Edge's affiliates are not obligated to consider or include the Funds or any investor in the Funds in any profits or benefits earned or derived from any investment in which the Funds did not participate. Edge has implemented policies and procedures and a compliance oversight program to address these conflicts. Edge's senior management is responsible for ensuring that these policies and procedures are properly implemented and that all Funds are treated in a fair and equitable manner.

Investments by more than one client of Edge in a portfolio company may also raise the risk of using assets of a client of Edge to support positions taken by other clients of Edge. When and to the extent that employees and related persons of Edge and its affiliates make capital investments in or alongside certain Funds, Edge and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Edge generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Edge or a related person of Edge (which may include a portfolio company of such Fund) or (ii) an entity with which Edge or its affiliates or current or former members of their

personnel has a relationship or from which Edge or its affiliates or their personnel otherwise derives financial or other benefit. This subjects Edge to conflicts of interest, because although Edge selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Edge may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Edge, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Edge has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Edge and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Edge or other investment vehicles advised by Edge and/or its affiliates; conversely, former personnel or executives of Edge and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Edge. Similarly, Edge, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Edge and/or its affiliates, and/or the Funds or other investment vehicles they advise. Edge may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Edge information about markets and industries in which Edge operates (or is contemplating operations) or will provide other services that are beneficial to Edge. Edge may have a conflict of interest in making such recommendations, in that Edge has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Edge, its affiliates, and equity holders, officers, principals and employees of Edge and its affiliates may buy or sell securities or other instruments that Edge has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Edge, are reimbursed by a Fund and/or its portfolio companies, Edge may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

As there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the Edge may not otherwise have done so. Since Edge is permitted to retain certain portfolio company fees in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

Edge or certain affiliates may also enter into side letters or other agreements with specific investors in the Funds. These agreements or side letters often establish, alter, or supplement the terms of the Funds' governing agreements with respect to only the investor to whom such side letter or agreement is addressed. Any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as a whole. Such side letters provide benefits to certain investors in a Fund not provided to other investors in such Fund. Side letters or other agreements may include adjustments to fees or expenses, additional rights to access certain information, additional rights on

the transfer of Fund interests or additional reporting to comply with specified laws or regulations. Neither Edge nor its affiliates will enter into a particular side letter or agreement if Edge determines that the provisions contained in such side letter or agreement would be disruptive to the applicable Fund or its investment program.

The private placement memoranda of the Funds contain more detailed descriptions of the applicable and respective potential conflicts of interests.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Edge makes a concerted effort to create and support a culture of compliance. Edge expects its directors, officers, and personnel to comply with all applicable laws and regulations and to act in accordance with high ethical standards in matters with competitors, counterparties, regulators, and those who do business with or seek to do business with Edge.

Edge has developed and implemented a Code of Ethics (the “Code”) in an effort to ensure proper oversight around Edge’s regulatory obligations, establish accountabilities for employees and outline certain of the Company’s key compliance policies and procedures. The Code requires that Edge and its personnel comply with their regulatory requirements, meet the fiduciary obligations to the Funds and adhere to certain business ethics and principles. Edge personnel must acknowledge their receipt of the Code, their understanding of the provisions contained in the Code, and their agreement to abide by the principles, policies and procedures set forth in the Code.

Edge’s Code addresses, among other things:

- Identification and handling of material non-public information;
- Prevention of insider trading; and
- Reporting and pre-clearance of:
 - personal securities transactions and holdings;
 - gifts and entertainment;
 - political contributions; and
 - outside business activities

Edge has adopted employee personal trade reporting and monitoring procedures. Edge’s Code and personal trading policies require employees to pre-clear personal trades of securities within certain industries and sectors which correspond to Funds’ and/or the Affiliated Advisors’ investment strategies. From time to time, Edge, its affiliates and employees may be restricted from trading certain securities within such industries and sectors. If any such securities are restricted, employee pre-clearance requests will be denied.

In addition, Edge’s Code requires, among other things, that employees:

- Act within an ethical manner with the public, investors, prospective clients and investors;
- Place the interests of the Funds above their own personal interests;
- Not take inappropriate advantage of their position;
- Attempt to avoid actual or potential material conflicts of interest;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and

- Comply with applicable provisions of the federal securities laws.

Edge personnel are required to disclose all outside business activities. In the event an outside business activity presents a material conflict of interest with the Funds, Edge reserves the right to restrict these outside business activities.

A copy of Edge's Code of Ethics is available upon request by contacting Edge's Chief Compliance Officer, Jeff Wade; (212) 615-3456; jwade@lspower.com.

Principals and employees of Edge and its affiliates may directly or indirectly own an interest in Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of Edge, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Additionally, a Fund may invest together with other Funds advised by an affiliated adviser of Edge in the manner set forth in the relevant limited partnership agreement.

From time to time, Edge may borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the relevant limited partnership agreement and the expense policy described under "Fees and Compensation." In borrowing on behalf of a Fund, Edge is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. Edge will effect such borrowings in a manner it believes to be fair and equitable to the Fund, and consistent with Edge's obligations to the Fund and the relevant limited partnership agreement.

ITEM 12 – BROKERAGE PRACTICES

General Brokerage Practices

Edge does not generally utilize the services of broker-dealers for transaction related services. In the event an investment requires Edge to utilize a broker-dealer, Edge shall seek to obtain best execution. Edge has instituted policies and procedures to ensure that it will place Fund transactions with appropriate care and diligence, seek best execution and address any material conflicts of interest in accordance with the Company's applicable fiduciary responsibilities.

Research and Soft Dollar Arrangements

Edge currently does not have any formal soft dollar arrangements or other arrangements that would commit the Company or the Funds to any specific or implied level of trading. As an institutional money manager, Edge may receive access to research made available through brokerage counterparties. Edge believes this research is available to all institutional money managers of similar size.

Trade Aggregation

Refer to Item 6 – "Performance Based Fees and Side by Side Management" for a description of the process by which Edge aggregates and allocates orders.

Trade Errors

Errors may occur during the trading process. It is Edge's policy to correct errors occurring in the management or trading of the Funds' accounts as soon as practicable. The Funds' private placement and offering memoranda shall govern the treatment of trade errors committed by Edge. Errors must also be reported to the CCO and reviewed to determine whether policies or procedures should be changed to prevent future errors. The cost of errors in the Funds' accounts will be borne by the Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by Edge or, in the case of Funds subject to ERISA, a breach of ERISA's standard of care by Edge. Gains associated with any trade error shall be retained by the affected Funds.

ITEM 13 – REVIEW OF ACCOUNTS

Edge's investment professionals review all Fund portfolio investments on a regular basis. In addition, Edge's investment professionals closely monitor and review the valuations of all Fund portfolio investments. The Funds' financial statements will be audited annually by independent certified public accountants registered with the Public Company Accounting Oversight Board.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The General Partner of each Fund may retain affiliated and non-affiliated marketing consultants and agents. As part of these agreements, and in accordance with applicable regulation, the consultants and/or agents may be paid a fee related to the amount of capital raised for each Fund. Fees paid by the Funds for marketing or fund raising are offset by a reduction of management fees due to Edge.

ITEM 15 – CUSTODY

To the extent possible, Fund assets are held in custody by unaffiliated broker/dealers or banks. Edge is deemed to have custody of the Funds' assets because the Management Company is affiliated with the General Partner of each Fund which has authority over the Funds' assets. Fund investors will not receive statements from the custodian. Instead, the Funds will be subject to an annual audit by independent certified public accountants and the audited financial statements will be distributed to each investor. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles and distributed to Fund investors within 120 days of the Funds' fiscal year end.

ITEM 16 – INVESTMENT DISCRETION

Edge does not provide investment advice to individual investors in the Funds. Rather, Edge provides investment advice to the Funds. The Funds' advisory agreements provide Edge with discretionary investment authority.

The Funds' private placement and offering memoranda, partnership agreements and investment management agreements authorize Edge to use a broad range of investment vehicles and strategies with very few, if any, limitations. For a complete explanation of Edge's trading and portfolio management authority please request a copy of the Funds' private placement memoranda, partnership agreements and/or investment management agreements.

ITEM 17 – VOTING CLIENT SECURITIES

Edge has the authority to vote the proxies received on securities held by the Funds as well as other votes solicited for corporate actions affecting portfolio holdings. Edge's objective is to vote proxies in the best interests of the Funds as mandated by the Funds' objectives described in the private placement memoranda.

Edge's investment professionals monitor and opine on proxy proposals. In consultation with senior management, investment professionals will consider whether Edge is subject to any material conflict of interest in connection with each proxy vote. Investment professionals must notify Edge's Chief Compliance Officer if they are aware of any material conflict of interest associated with a proxy vote. Potential conflicts will be assessed on a case-by-case basis.

Edge may abstain from voting if the Company deems that abstinence is in the Funds' best interests.

Current investors may request a copy of the Company's full proxy voting policies and procedures and the voting records as provided by Rule 206(4)-6. Please contact Edge's Chief Compliance Officer, Jeff Wade; (212) 615-3456; jwade@lspower.com.

ITEM 18 – FINANCIAL INFORMATION

Edge has never filed for bankruptcy and is not aware of any financial condition that is reasonably expected to affect its ability to manage the Funds' accounts.