

Directed Capital Advisors, LLC

Investment Management Services

FORM ADV, PART 2A -- BROCHURE

This brochure provides information about the qualifications and business practice of Directed Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 727-341-8383. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

<p>Additional information about Directed Capital Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Directed Capital Advisors, LLC is 162277.</p>

Directed Capital Advisors, LLC became a registered investment adviser in May 2013. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Directed Capital Advisors, LLC

150 Second Avenue N., Suite 1600, St. Petersburg, FL 33701
Telephone: 727-341-8383 Email: stacy.ames@directedcapital.com
Web Address: www.directedcapital.com

The date of this brochure is 03/28/2019.

Item 2 Material Changes

This Firm Brochure, dated 03/28/2019, is our disclosure document prepared according to the SEC's requirements and rules. There has been one material change since the last brochure dated 03/29/2018.

When we make material changes to our brochure, we will identify those changes under this heading.

Please be advised that Directed Capital Advisors, LLC has moved to a new address as captured on the cover page to this brochure.

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Item 4 Advisory Business

DCA ("DCA") registered in March 2012 as an exempt reporting advisor. In 2013, DCA applied for status as a registered investment advisor and was approved as such in May 2013. Its principal place of business is located in Florida and it began conducting business in 2012. The firm is owned by Directed Capital Resources, LLC (DCR) whose principal owner (i.e., those individuals and/or entities controlling 25% or more of this company) is Christopher S. Moench.

We provide discretionary portfolio management services to a small number of limited partnerships sponsored by DCR ("Sponsored Partnerships"). These portfolio management services principally concern 1) commercial real estate related loans and other business loans acquired at discounts in the secondary market, 2) originated commercial real estate and other commercial loans, 3) real estate and other assets acquired thru or in lieu of foreclosure, and 4) real estate equity investments. As of December 31, 2018 our principal client relationships are with DCR Mortgage Partners VI, LP and DCR Mortgage Partners VII, LP, DCR Mortgage Partners VIII, LP, Directed Capital Opportunity Investment Fund, LLC and DCR Mortgage Partners IX, LP. DCR Mortgage Partners VII, LP and DCR Mortgage Partners VIII, LP have entered into a co-investment arrangement. Directed Capital Opportunity Investment Fund, LLC (DCOIF) serves as a feeder fund to DCR Mortgage Partners IX, LP.

Our advisory services are limited to advice regarding acquisition and disposition of loan, real estate, and other ancillary assets. Portfolio investment decisions are made according to the investment objectives and risk tolerances of our clients, and also our clients' stated investment restrictions and special circumstances.

As of December 31, 2018, we managed \$259,550,663 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT MANAGEMENT SERVICES

DCA's fees are based upon contractual agreements with the respective Sponsored Partnership and are calculated as follows:

DCR Mortgage Partners VI, LP

Fees are payable monthly on the first day of the month based on the sum of 1) outstanding loan receivable balance, 2) face amount of the loan receivable as of the date of foreclosure, and 3) cost basis of non-loan / non-foreclosed real estate assets.

All Other Sponsored Partnerships

Fees are payable quarterly on the first day of the quarter. During the partnership's asset acquisition period, fees are based on the Limited Partners' aggregate Capital Commitments. Following the acquisition period, fees are based on the Limited Partners' aggregate unreturned Capital Contributions.

Our clients authorize us to deduct these fees directly from our clients' accounts, in compliance with applicable rules that permit this type of arrangement.

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

DCA does not accept performance-based fees nor does it participate in side-by-side management. As discussed in Item 10 below, affiliates of DCR serve as the general partner of the Sponsored Partnership. These general partners are entitled to receive a carried interest allocation of the Sponsored Partnership's net profits, provided all partners have received full distribution of their contributed capital plus a return percentage per annum on the average daily balance of the unreturned capital contributions as specified in the offering documents. Additional profits are allocated proportionately amongst the partners.

Item 7 Types of Clients

DCA provides discretionary portfolio management services to Sponsored Partnerships. All the investors in such partnerships are accredited investors.

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

We provide advice on a limited variety of investments, including, but not limited principally to, commercial real estate secured mortgage loans and commercial real estate. Investments may be made for the long or short term, but are generally made to realize income, primarily from realization of discount, by seeking repayment or disposition at amounts above the original cost of the asset as soon as is reasonably practicable and advisable. Our portfolio managers use several sources of investment information when making recommendations, including information provided by the loan seller, fundamental research, real estate broker provided research materials, and on-site visits.

Investing in securities involves the risk of loss that a client should be prepared to bear. We do not guarantee our investment results or performance, but we do not engage in frequent trading of a client's account.

Item 9 Disciplinary Information

Neither our firm nor any of our management persons have been involved in any legal or disciplinary proceedings during the past 10 years. Specifically, there have been no criminal or civil actions involving our firm or our management persons, there have been no administrative proceedings before the United States Securities and Exchange Commission or any other foreign, federal or state regulatory agency, and there have been no proceedings by a self-regulatory organization involving our firm or any of our management

Item 10 Other Financial Industry Activities and Affiliations

We are not registered as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities, nor do we have an application pending to register as any of such entities. In addition, none of our management persons are registered representatives of a broker-dealer, and none are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities, nor do any of our management persons have an application for such registration pending.

We do not recommend or select other investment advisers for our clients, nor do we have any business relationships with any other investment advisers that would create a material conflict of interest for us.

As previously noted in the brochure, our affiliate DCR, is the sponsor of the Sponsored Partnerships. Conflicts of interest between DCR and the Sponsored Partnerships can arise because affiliates of DCR are in the business of acquiring assets like those targeted for acquisition by the Sponsored Partnerships. This has been mitigated through each partnership's defined asset acquisition objectives which outline quarterly capital deployment objectives throughout the partnership's acquisition period. Unless these acquisition objectives have been satisfied, DCR or one of its affiliates cannot acquire assets which would otherwise qualify for purchase by a Sponsored Partnership. This ensures that acquisition objectives for the partnership are the top priority of DCA and its affiliates. Secondly, DCR, through its majority ownership of each partnership's general partner, is economically motivated for the partnership to perform well. Through its investment in the General Partner, DCR and its supervised persons, has contributed 1% - 2% of partner capital resulting in an alignment of financial interests with the partners in a Sponsored Partnership.

DCR, is also licensed as a real estate company and several supervised persons are licensed as real estate brokers or real estate sales persons. The licenses are maintained to ensure the Sponsored Partnerships can carry out their business. Neither DCR nor its supervised persons charge real estate brokerage fees, commissions, or other fees to the Sponsored Partnerships.

DCR Loan Servicing, LLC (DCRLS) is a licensed mortgage lender servicer and several supervised persons are licensed mortgage loan originators. The licenses are maintained to ensure the Sponsored Partnerships can carry out their business. No commissions or other fees are paid to supervised persons.

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

We have adopted a Code of Ethics that complies with SEC Rule 204A-1. This Code governs the personal securities trading activities of our “access persons,” which include any owner, manager, employee or other person who provides investment advice on our behalf and who is subject to supervision and control by us. Our Code recognizes that all supervised persons owe a fiduciary duty to our clients, including a duty to conduct their personal securities transactions in a manner that does not interfere with the transactions of a client or otherwise take unfair advantage of the relationship with a client. The Code contains specific principles of conduct, prohibits certain types of securities trading activities by an access person, requires pre-clearance for certain securities transactions by an access person and requires “access persons” to file an initial holdings report and quarterly transactions reports with our Chief Compliance Officer. A copy of our Code of Ethics will be provided to any client who requests one, without charge.

Due to the nature of the investments we recommend, our related persons very rarely have a material financial interest in any of the investments we recommend to our clients. If such a potential conflict arises, we secure client consent through a client advisory committee process.

Item 12 Brokerage Practices

We have discretionary authority to make transactions in a client’s account. The extent of that authority is determined based on written agreements with our clients. Our clients give us the authority to make all of the following determinations without obtaining prior consent (subject to the specific restrictions or limitations in the limited partnership agreement):

- which investments will be bought or sold;
- the total amount of each investment to be bought or sold; and
- the terms and conditions under which the investments are purchased.

Due to the nature of the investment portfolios we manage, we do not use third-party broker-dealers to purchase securities.

Item 13 Review of Accounts

Each of our individually managed accounts is reviewed at least quarterly, to ensure that the portfolio structure is in line with account objectives. Reviews are completed by Christopher S. Moench, Chief Executive Officer; Stacy J. Ames, Chief Financial Officer and Chief Compliance Officer; and Michael P. McGinn, Director – Portfolio Management. The sequence in which accounts are reviewed is such that no account receives undue attention or favoritism. The investors in our clients receive periodic written reports which provide information about the financial status and performance of the partnership; information about the characteristics of the portfolio including: payment performance status, cost basis and asset carrying value; geographic and industry concentration; and detailed information about real estate holdings. Information about key issues in the portfolio is also reviewed with the partnerships’ advisory boards.

Item 14 Client Referrals and Other Compensation

We have no arrangements with individuals to solicit and refer prospects to us for a fee. DCOIF has an exclusive marketer who lives in Beijing, China who is paid by an affiliate of DCA. Those costs are not charged to DCOIF. Additionally, DCOIF compensate agents living in China who secure capital commitments from non-U.S. investors. Fees for those services are approximately 4% and are paid by DCOIF.

Fees for loan servicing and administrative services provided by DCRLS to the Sponsored Partnerships are based upon contractual loan servicing agreements with the respective partnership and paid to DCRLS. These fees are payable monthly on the first day of the month based on the outstanding balance of the loans receivable; plus, for foreclosed real estate, the balance of the loan receivable as of the date of foreclosure; plus the cost basis of any other asset. DCRLS is also paid a percentage of net resolution proceeds received by a partnership as a result of asset resolutions.

Additionally, DCRLS is entitled to receive fees paid by borrowers such as late charges, origination and exit fees, loan modification fees, and prepayment penalties. These fees are not paid by our clients, are not paid for investment advice, and are not related to the solicitation or referral of prospective clients.

Item 15 Custody

Other than when loan or title documents are in transit, client investments are physically held by Qualified Custodians who are not related to us or our related persons. Client investments are never titled in a name other than the name of a subsidiary of a client. Some of our related persons, who serve our clients as officers, are deemed to have custody of client funds. All client funds within our related persons' custody are held by Qualified Custodians who are not related to us or our related persons. An independent public accountant audits annually our clients and audited financial statements are distributed to the investors in our clients.

Item 16 Investment Discretion

Our clients provide us with complete authority to select which investments will be bought or sold and the total amount of each investment to be bought or sold. Our clients generally execute investment related documents on their own behalf through their officers, who are also our supervised persons and related parties.

Item 17 Voting Client Securities

The investments we acquire or originate and manage for our clients (commercial real estate related loans, other business loans, and equity investment in real estate) do not typically involve voting rights. When they do, some of our related persons who serve our clients as officers, are granted authority (through the limited partnership agreements) to vote on behalf of our clients.

Item 18 Financial Information

We are not required to include in this brochure our balance sheet for the most recent fiscal year, because we do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients. Neither our firm nor any of our management persons have been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19 -- Requirements for State-Registered Advisers

We are not registering nor are we registered with any state securities authorities.