



**Form ADV Part 2 Brochure
March 30, 2024**

Carlisle Tax Credits, LLC
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This Brochure provides information about the qualifications and business practices of Carlisle Tax Credits, LLC dba Carlisle Tax Credit Advisors ("Carlisle"). If you have any questions about the contents of this Brochure or would like additional information, please visit our website at www.carlisletaxcredits.com or contact us at 617-500-8620 and/or info@carlisletaxcredits.com.

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.

Carlisle Tax Credit Advisors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you determine to hire or retain an Adviser. Additional information about Carlisle Tax Credit Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Summary of Material Changes

This Brochure contains updated information about Carlisle Advisors, LLC's (referred to herein as "Carlisle," "Firm," "Company" or "Adviser") business since the last annual update dated March 30, 2023. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Carlisle wants to make you aware of the following material changes:

We have updated the firm's Regulatory Assets Under Management in **Item 4 – Advisory Business**.

Carlisle will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, Carlisle's Brochure may be requested by contacting Mr. James Darling, Counsel and Chief Compliance Officer, at (978) 697-7942 or jdarling@carlisletaxcredits.com.

Additional information about Carlisle is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Carlisle who would be required to be notice filed as investment adviser representatives of Carlisle. We encourage you to read this document in its entirety.

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Item 4 – Advisory Business

Carlisle Tax Credits LLC (dba Carlisle Tax Credit Advisors) is owned by Carlisle Tax Credit Advisors LLC. Carlisle Tax Credit Advisors LLC is owned by Eric H. Darling. Carlisle has been providing investment advisory services since January 2, 2010 specializing in tax credit investments for institutions. The firm and its affiliates have also provided non-investment advisory consulting services since 2006, and its owner has over thirty years of experience in tax credit analysis, structuring and management.

As of December 31, 2020, the firm managed \$0 on a discretionary basis and \$472,797,962 on a nondiscretionary basis.

Item 5 – Fees and Compensation

Fees for investment advisory services are negotiated between Carlisle and the client based on assets under management and are memorialized in a written agreement with the client. Fees are billed directly to the client on a quarterly basis in arrears.

Carlisle assists clients in selecting, evaluating, negotiating, closing, oversight and monitoring investments in low-income housing tax credits, historic rehabilitation tax credits, new markets tax credits, and renewable energy (investment and production) tax credits. Fees for this selecting, evaluating, negotiating and closing are charged as a percentage of the original gross equity investment or commitment in the year investments are made (a minimum floor may be negotiated) and are payable quarterly in arrears. Fees for ongoing oversight and monitoring are charged quarterly as a percentage of the original gross equity investment or commitment in the year investments are made (a minimum floor may be negotiated).

Fees are prorated based on the timing of closing of underlying investments made by the client within each quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable

Carlisle's fees are exclusive of brokerage commissions, syndicator fees, attorneys' fees, and other related costs and expenses incurred by the client. Such charges, fees and commissions are exclusive of and in addition to Carlisle's fee, and Carlisle shall not receive any portion of these commissions, fees, and costs. In certain cases, syndicators or other intermediaries may elect to reimburse clients for all or a portion of Carlisle's fees at the client's initiation and discretion.

Out of pocket expenses (such as travel costs) will be billed to clients concurrently with service fees.

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

Carlisle does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Carlisle provides portfolio management services to institutional investors with U.S. federal and/or state tax liability, publicly-traded corporations and their affiliates.

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

Investing involves risk of loss that clients should be prepared to bear. Risks of investment in tax credits including the following:

Recapture Risk: Most tax credits are subject to recapture of all or a portion of credits previously claimed along with loss of future credits if the investment ceases to be owned by the investment partnership (e.g., due to foreclosure by a lender) or if certain programmatic and regulatory requirements are not met (e.g., charging affordable rents to qualifying households in affordable housing tax credit transactions.)

Completion Risk: Tax credit investments typically involve the construction or rehabilitation of real estate or the installation of equipment or technologies. Failure to complete these objectives within required timeframes may result in expected benefits being reduced or eliminated.

Legislative Risk: Changes either directly to the underlying programs enacted by Congress or to tax laws and regulations that affect utilization of the credits may reduce the expected value of the investment. Changes to laws or budgets which support the underlying assets generating tax credits may also increase the risk of recapture.

Utilization Risk: Investors must have sufficient tax liability in order to utilize tax credits and any companion deductions generated by the investment. Each program has its own rules relating to use against the alternative minimum tax, gross premiums taxes, and other tax regimes, and different rules relating to carrying forward and backward to other tax years. In addition, regulations prescribe the order in which credits and deductions must be used by the investor. Furthermore, some tax credit investments are difficult to trade, and others effectively cannot be traded once earned.

Privacy/ Cybersecurity Risk: The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Carlisle interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, Carlisle, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Carlisle takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render Carlisle unable to transact business on behalf of clients.

General Economic Conditions: Changes in general economic conditions may affect a Client's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Client or considered for prospective investment. Material changes and fluctuations in the economic environment, may affect a Client's ability to make investments and the value of investments held by the Client or the Client's ability to dispose of investments. A Client's portfolio investments can be expected to be sensitive to the performance of the overall economy. No assurance can be given as to the effect of these events on a Client's investments or investment objectives.

Difficulty of Locating Suitable Investments. Carlisle's success will depend on its ability to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments on favorable terms. There can be no assurances that there will be a sufficient number of suitable investment opportunities to enable the Firm to invest all of its capital in opportunities that satisfy its investment objective, or that such investment opportunities will lead to completed investments. Identification of attractive investment opportunities generally will be subject to market conditions. Competition for such opportunities is expected to be substantial.

Dependence on Limited Staff. Carlisle's investment activities will depend to a large extent on the efforts, experience and expertise of its principals and limited staff. There can be no assurance that all of the principals and staff members will remain in the employ of Carlisle or otherwise continue to be able to carry on their duties. The loss of any of the principals' or any of the staff members' services could harm the Carlisle ability to realize its investment objectives and have a material adverse effect on its operations.

Risk of Loss. Securities investments are not guaranteed, and clients may lose money on their investments. We ask that each client work with us to help us understand his or her

particular tolerance for risk. Active strategies undertaken by Carlisle may entail additional risk. As such, these strategies may involve additional brokerage charges, transaction costs and taxes. In addition, strategies that include private funds entail greater risk as these offerings have limited regulatory oversight, have less liquidity and depend on the due diligence undertaken by the investment adviser.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Carlisle or the integrity of Carlisle's management. Carlisle has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Carlisle is filing adviser for the following relying advisers, each of which is general partner to one or more private fund client: Carlisle Fund I GP LLC, Carlisle Fund II GP LLC, Carlisle Yellowhammer Fund GP LLC, Carlisle White Oak Fund GP LLC, and Carlisle Sandpiper Fund GP LLC.

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

Carlisle has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor-mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Carlisle must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Carlisle will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Carlisle's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. More importantly, Carlisle and its staff are not permitted to invest in or hold tax credit funds held by clients. Funds issued by Carlisle affiliates noted in Item 10 may hold a *de minimus* interest.

Carlisle's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting James Darling at jdarling@carlisletaxcredits.com. Mr. Darling serves as the Firm's Chief Compliance Officer and Counsel.

It is Carlisle's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Carlisle will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any

person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Carlisle's Code of Ethics has also been adopted by each of Carlisle's relying advisers.

Item 12 – Brokerage Practices

In connection with some transactions (including nearly all affordable housing tax credit transactions), a syndicator may provide a third-party due diligence report or reports to Carlisle and its clients. Carlisle does not pay for these reports, nor does it provide these services to syndicators. As a result, Carlisle may benefit from not having to pay for these reports. Carlisle may also have an incentive to recommend investments where reports are available due to the favorable cost structure. However, Carlisle does not charge differently for our services on the basis of the availability of such reports. Syndicators may, however, adjust their fees charged to clients based on these reports.

Item 13 – Review of Accounts

Investment advisory portfolios are reviewed on a quarterly basis, or sooner if a material event affecting a fund's expected benefit stream or the ability of the fund organizer to provide ongoing asset management services. Portfolios are reviewed by Eric H. Darling.

Quarterly and annual reports are provided to clients commencing once the first investment is made. Reports will focus on matters that may affect the projected tax credit benefits, including significant issues with tax credit asset quality or timing, and changes to the ability of the fund organizer to provide ongoing asset management services.

Item 14 – Client Referrals and Other Compensation

Carlisle does not compensate others for referrals, and Carlisle does not receive economic benefit from third parties for investment advisory services. Exclusively at the direction of a client, Carlisle will seek payment for the services it has provided to the client directly from a syndicator if the client is being reimbursed by a syndicator for our services.

Item 15 – Custody

Carlisle affiliates which act as GP of one or more private funds each maintain custody of client assets of their respective funds. Carlisle does not otherwise maintain custody of client assets.

Item 16 – Investment Discretion

Carlisle does not exercise discretionary authority to manage securities accounts on behalf of its clients.

Item 17 – Voting Client Securities

The Firm has prepared proxy-voting procedures in accordance with, and for the purpose of complying with, rules related to proxy voting promulgated by the SEC under the Advisers Act. Specifically, pursuant to Rule 204-2(c)(2) and Rule 206(4)-6 under the Advisers Act, these procedures must: (i) be written; (ii) set forth the process by which the Firm evaluates the issues presented by a proxy and a record of the Firm's decisions as to how the proxy will be voted; and adopt and implement procedures that are reasonably designed to ensure that the Firm votes proxies in the best interests of its Clients, which include how the Firm addresses material conflicts of interest between the Firm and any of its Clients. Carlisle may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about an adviser's financial condition. Carlisle has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Carlisle does not solicit prepayment for services.