

The Phoenix Fund Advisor LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of The Phoenix Fund Advisor LLC. If you have any questions about the contents of this brochure, contact us at 787-510-6600. 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.

Additional information about The Phoenix Fund Advisor LLC is available on the SEC's website at www.adviserinfo.sec.gov.

The Phoenix Fund Advisor LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

The Brochure, dated March 11, 2024, contains the following material change from the previously annual Brochure dated June 26, 2023:

- Item 4 has been updated to remove ARCTRUST Capital Advisors PR LLC as an owner of Phoenix Fund Advisor, LLC.
- Item 8 has been updated to reflect the change of the fund investment requirement with new Puerto Rico Internal Revenue Code Act 60 from previous Act 185.

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Item 4 Advisory Business

Description of Firm

The Phoenix Fund Advisor LLC is a registered investment adviser primarily based in Guaynabo, Puerto Rico. We are organized as a limited liability company ("LLC") under the laws of the Commonwealth of Puerto Rico. We have been providing investment advisory services since October 2017. We are owned by Pariter Advisors LLC and indirectly owned by Francisco J. Rivera.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to The Phoenix Fund Advisor LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Investment Management Services

We are the manager and investment adviser to The Phoenix Fund LLC (the "Fund"), a pooled investment vehicle that is excluded from the definition of an investment company under the Investment Company Act of 1940 by Section 3(c)(1) and 3(c)(7), and whose securities are not registered under the Securities Act of 1933, as amended. As the manager and investment adviser to the Fund, we provide discretionary investment management services. The Fund's investment objective is to generate current income and capital appreciation by making "Debt and Equity Investments" in privately-held companies. The Fund anticipates that its investments will include "Passive Appreciation Vehicles in Real Estate" ("PAVRs"). The investment advisory services provided to the Fund are governed by the offering documents of the Fund. We base our advice to the private investment fund on the investment objectives and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, and/or subscription agreements, as the case may be (each and collectively, the "Governing Documents").

The fund is available for investment, only by an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and a "qualified client" within the meaning of Rule 205-3 under the Advisers Act; that it is acquiring a Membership Interest in the Fund for its own account, for investment purposes only and not with a view to resale or distribution; that it has received or has had access to all information it deems relevant to evaluate the merits and risks of an investment in the Fund; and that it has the ability to bear the economic risk of an investment in the Fund. Please look to the Governing Documents for additional information on the eligibility requirements of the applicable fund.

Our advice is not tailored to the individual needs of the investors ("Members") who purchase membership interests ("Interests") in the Fund. Rather, when managing assets within the Fund, we remain subject to the investment guidelines and restrictions included in the private placement memorandum (the "PPM"), subscription agreement, or advisory agreement, as applicable, of the Fund (the "Governing Documents").

This brochure contains a summary of information relevant to the subject headings as stated herein, and no disclosure or other statement contained in this brochure serves as a substitute or shall supersede any of the terms and conditions as outlined in the Fund's Governing Documents. To the extent any of the statements herein conflict with the Fund's Governing Documents, such Governing Documents shall govern, and investors in the Fund will be bound by the terms, fees, conditions, risks and other relevant information contained therein.

Assets Under Management

As of December 31, 2023, we provide continuous management services for \$603,957,947 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Management Fee

Our investment management fees are described generally below and detailed in the Fund's Governing Documents. As previously mentioned in Item 4, the Fund's Governing Documents shall set forth with specificity the full terms regarding fees and expenses. No disclosure or other statement contained below shall serve as a substitute or shall supersede any of the terms and conditions as outlined in the Fund's Governing Documents.

The management fee payable by the Fund, will be paid quarterly in arrears on the first day of January, April, July and October of each year, at a rate of 2.00% per annum of the weighted average amount of capital contributed or committed to the Fund (whether or not paid), calculated for the preceding three months. The Management Fee will begin to accrue as of the date of the initial sale of Membership Interests and will be prorated for any partial period.

After the termination of the Advisory Agreement, we shall be entitled to receive from the Fund, within 30 days after the termination date, (i) all unpaid reimbursements of expenses, (ii) all accrued but unpaid management fees (pro-rated for the period ending on the termination date) and incentive fees; and (iii) a termination payment equal to the incentive fee our firm would be entitled to receive if the Fund's assets were sold for cash at their fair market value as of the termination date, and the resulting cash distributed to members on such date. This termination payment shall be considered to be part of our incentive fee.

Additional Fees and Expenses

The Fund will bear all expenses, including research and due diligence costs, incurred in connection with (i) lending to, or investing in, portfolio companies or borrowers (collectively, the "Fund Investments"), (ii) bank, custodian, audit, regulator, legal and accounting fees of the Fund, (iii) director fees and reimbursements, including any director liability insurance premiums, (iv) indemnification obligations of the Fund, (v) the fees payable to our firm, as the Manager and Investment Adviser, and the fees and expenses payable to members of the Advisory Board, and (vi) any fees payable to any other investment adviser selected by our firm. We will bear the ordinary expenses of managing the Fund, such as rent, other overhead expenses, and salaries of its staff. In addition, the Fund will bear all expenses in connection with the organization of the Fund.

Compensation for the Sale of Securities or Other Investment Products

Francisco J. Rivera, Chairman & Chief Executive Officer of The Phoenix Fund Advisor LLC is a Registered Representative with Pariter Securities, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In this capacity, he can receive commission-based compensation in connection with the purchase and sale of securities.

Francisco J. Rivera is an Investment Adviser Representative of Pariter Wealth Management Group LLC, a registered investment adviser. When appropriate, Mr. Rivera may recommend that you use the investment advisory services of Pariter Wealth Management Group LLC. If you utilize the advisory services of Mr. Rivera through Pariter Wealth Management Group LLC, he may receive additional fees or other compensation in his capacity as an investment adviser representative.

Similarly, Mr. Rivera is also licensed as an insurance agent with Pariter Risk Management and can earn commission-based compensation for selling insurance products, including insurance products he sells to you.

These arrangements present a conflict of interest because Mr. Rivera's has a financial incentive to recommend or sell securities or insurance products to you. However, you are under no obligation, contractually or otherwise, to purchase investment products through any person affiliated with our firm.

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

We will receive an annual incentive fee from the Fund, calculated and payable in arrears with respect to each fiscal year, within 30 days of the end of the fiscal year. The Incentive Fee shall be equal to 20% of the Fund's Incentive Fee Distributions for each fiscal year and will be payable with respect to a Member only if such Member receives an annualized return of at least 8% (the "Hurdle Rate") for such fiscal year on the weighted average capital actually contributed to the Fund by such Member, calculated on a monthly basis.

The Incentive Fee may create incentives for our firm to make investments that are riskier or more speculative than would be the case in the absence of such fee. Such practice may result in higher investment losses, particularly during economic downturns.

Item 7 Types of Clients

We provide investment management services to a pooled investment vehicle on a fully discretionary basis. Our sole client is the Fund described in this brochure.

Generally, the Fund will accept investment only from persons who are both an "Accredited Investor" as that term is defined under Regulation D and "Qualified Purchaser" as defined in Section 2(a)(51) of the Investment Advisers Act as amended.

The minimum investment amount with respect to the Fund is outlined in the Fund's Governing Documents. This brochure is designed solely to provide information about our firm and should not be deemed to be an offer of interests in any private fund.

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

Our Methods of Analysis and Investment Strategies

The following investment objectives and investment strategy disclosures are disclosed in summary fashion only. A more complete and thorough description of the particular strategies and investments utilized, and associated risks, are disclosed in the Fund's Governing Documents. Investing in securities involves risk of loss that Clients should be prepared to bear. All investments carry the risk of loss and there is no guarantee that any investment strategy will meet its objective.

The Fund's investment objective is to generate current income and capital appreciation by making "Debt and Equity Investments" in privately-held companies. We will seek opportunities in taxable or tax-exempt debt securities that are not publicly traded and which provide attractive risk-adjusted returns. Not later than four years from its organization date and at the end of each subsequent fiscal year, the Fund must have a minimum of 60% of its paid-in-capital invested in securities and financial instruments of companies that derive at least 80% of their gross income for the prior three years from sources in Puerto Rico or from income effectively connected or treated as effectively connected with a

trade or business in Puerto Rico under the Puerto Rico Internal Revenue Code (collectively, "Puerto Rico Entities"). Additionally, and in accordance with Act 60, the Fund may invest up to 40% of its assets in companies that are not considered Puerto Rico Entities.

The Fund may borrow from banks or other financial institutions to finance the purchase of its investments, to attempt to enhance the yield of the Fund, or for temporary or emergency purposes. Such borrowing will generally be limited to an aggregate of 50% of the value of the Fund's assets, although borrowings to finance the purchase of individual investments may represent a higher percentage of the value of such investment. Borrowing by the Fund would create leverage and would entail speculative factors similar to those applicable to the issuance of debt securities.

No assurance can be given that the Fund will achieve its objective. As required by Act 60, not later than four years after its organization date and at the end of each subsequent fiscal year, the Fund will not have more than 50% of its paid-in capital invested in any single entity or controlled group of corporations or related entities.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

However, our affiliate Pariter Securities, LLC (CRD# 127836) does have disciplinary events to disclosed. Please refer to our Form ADV Part 1 for information on Pariter Securities, LLC disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

We are affiliated with Pariter Securities, LLC through common control and ownership. The affiliate is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Francisco J. Rivera, Chairman & Chief Executive Officer of The Phoenix Fund is President and Registered Representative with Pariter Securities, LLC. In this capacity, he can receive commission-based compensation in connection with the purchase and sale of securities. This practice presents a conflict of interest because Mr. Rivera in his registered representative capacity has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

We are affiliated with Pariter Wealth Management Group, LLC through common control and ownership. This affiliate is a registered investment adviser. Francisco J. Rivera is President and Investment Adviser Representative of Pariter Wealth Management Group LLC. We will recommend that you use the services of our affiliate if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to our affiliate for their services.

In addition, we are affiliated with Pariter Risk Management through common control and ownership. This affiliate is an insurance agency. Francisco J. Rivera is President and Insurance Agent. We will recommend that you use the services of our affiliate if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to our affiliate for their services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than

fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Investors may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Item 12 Brokerage Practices

We recommend the placement agency services of Pariter Securities, LLC.

Placement Agents

The Fund has retained Pariter Securities LLC ("Pariter Securities"), a registered broker-dealer and member firm of the Financial Industry Regulatory Authority (FINRA), on a best efforts basis, as the managing dealer and placement agent of the offering. As managing dealer, Pariter Securities may invite other FINRA members to act as additional placement agents that will form part of a selling group. The placement agents will receive compensation which is described in the Fund's offering documents under "Estimated Fund Expenses." The Fund has also agreed to indemnify the placement agents and certain registered investment advisers that refer their clients to the Fund against certain liabilities, including liabilities under the Securities Act.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Item 13 Review of Accounts

As the adviser to the Fund, we monitor the investments in the Fund on a quarterly basis to ensure they are consistent with the investment objectives of the Fund. Additional reviews may be conducted based on various circumstances, including, but not limited to: year-end tax planning, market moving events, and/or security specific events.

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, Francisco J. Rivera, Chairman & Chief Executive Officer of The Phoenix Fund Advisor LLC is a licensed insurance agent with Pariter Risk Management, investment adviser representative with Pariter Wealth Management Group, LLC and a registered representative with Pariter Securities, LLC. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Item 15 Custody

In our capacity as manager to the Fund, we will have access to the Fund's funds and securities, and therefore have custody over such funds and securities under Rule 206(4)-2 of the Investment Advisers Act of 1940, even if we do not act as the qualified custodian. We provide each investor in the Fund with audited annual financial statements. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

We exercise discretionary authority in managing assets on behalf of the Fund. Our discretion is limited by the Fund's investment guidelines and our internal policies. Any such investment guidelines will be set forth in writing.

Item 17 Voting Client Securities

We do not invest in publicly-traded securities on behalf of the Fund and therefore are not required to vote proxies.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.