

FCA Partners, LLC

Part 2A of Form ADV

The Brochure

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of FCA Partners, LLC (“FCA,” “Adviser” or “Company”). If you have any questions about the contents of this Brochure, please contact us at (704) 972-2608. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

FCA is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration does not imply a certain level of skill or training.

Additional information regarding FCA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure replaces the last version of FCA's Brochure, dated November 14, 2023. In addition, certain material changes have been made since the last version of this Brochure:

- Item 4 – updated regulatory assets under management as of December 31, 2023;
- Item 5 – added a description of the acquisition fees that the Adviser may now receive for certain Client accounts.

When FCA amends the Brochure for an annual update (or otherwise), any material changes will be identified and discussed under this section or as a separate document that will accompany the Brochure. For documentation purposes, FCA will provide the date of the last annual update of its Brochure.

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Item 4. Advisory Business

FCA, a limited liability company organized in the State of North Carolina, was formed in 2013 to provide discretionary investment advisory services to a single institutional investor and may provide such services to other clients in the future (each a “Client” or collectively, “Clients”). FCA invests on behalf of Clients primarily in commercial real estate assets, generally consisting of multi-family, retail, office, mixed-use, manufactured housing and industrial/flex asset types. FCA has also made a debt investment in a commercial real estate property and may make similar investments in the future. FCA is primarily owned by Albert Lindemann III and Edward Cherry, the Company’s Co-Founders and Managing Partners.

FCA Management, LLC (“FCAM”), a limited liability company organized in the State of North Carolina in 2017, is an affiliate of FCA. FCAM provides property management services to certain portfolio properties related to the real estate assets owned by Clients. Alternatively, for those properties not managed by FCAM, FCA may use independent third-party management companies to provide similar management services to the portfolio properties.

In providing investment services to Clients, FCA formulates the investment objective, directs and manages the investment and reinvestment of Client assets. The Company manages Client assets in accordance with the terms of the relevant governing document, including the advisory agreement, and any reasonable investment restrictions imposed by Clients.

FCA does not participate in wrap fee programs.

As of December 31, 2023, FCA manages \$530,035,943 of regulatory assets under management on a discretionary basis on behalf of Clients.

Item 5. Fees and Compensation

FCA is generally compensated for advisory services through asset-based management fees (“Asset Management Fee”) and performance-based compensation (“Incentive Fee”). The specific terms of such arrangements are set forth in greater detail in the Clients’ relevant governing document(s) and are summarized below. Clients should refer to their respective governing documents for a complete description of fees and compensation and relevant expenses paid by Clients.

Asset Management Fee

FCA will receive an Asset Management Fee, payable monthly by the Client, equal to the product of a) $1/12^{\text{th}}$ of the applicable asset management fee percentage for the Client, as defined in the relevant governing document(s), and b) the average of capital account balances for the Client as of the end of each day during a month (the Average Daily Outstanding Capital Account Balance or “ADOCAB”) or the average daily net asset value of the applicable Client accounts (as set forth in the Clients’ relevant governing document(s)).

Incentive/Promote Fee

The Adviser may receive an incentive or promote fee, calculated and payable as earned in accordance with the Client's respective governing documents.

Acquisition Fee

In accordance with the Client's respective governing documents, the Adviser may be entitled to receive an acquisition fee upon the acquisition of certain portfolio assets, equal to 0.50% of the purchase price for the real estate and improvements underlying such asset.

Other Fees and Expenses

FCAM may charge the portfolio properties for which they provide property management services a property management fee, which are charged at market rates.

Generally, the Client may reimburse the Adviser or its affiliates for all ordinary, necessary and reasonable expenses incurred by the Adviser or its affiliates which are directly related or reasonably allocable to the portfolio properties' interests after their acquisition, including, but not limited to (i) salaries, bonuses, commissions, taxes, insurance and other payroll related benefits for all on-site personnel (including affiliated personnel from time to time) (i.e., resident manager, assistant manager, leasing, maintenance, custodial and grounds personnel, etc.); (ii) service bureau charges for issuing the payroll checks and related reports regarding the on-site personnel referenced in subparagraph (i); (iii) third party training/educational seminar expenses and professional association dues for employees referenced in subparagraph (i) together with travel expenses, if any, related to these activities; (iv) office supplies, equipment, telephone, fax, and postage expenses used on-site at property offices; (v) allocable portions of salaries, bonuses, commissions, taxes, insurance and other payroll related benefits for supervisory management, property-related accounting personnel and support personnel at headquarters or other regional offices, and; (vi) travel expenses related to property management functions for personnel referenced in subparagraph (v).

The following costs and expenses allocable to the portfolio properties' interests after their acquisition are not reimbursable to the Adviser: (a) salaries, bonuses, commissions, taxes, insurance and other payroll related benefits for Adviser management personnel not referenced in subparagraph (i) or (v) above; (b) travel expenses related to the Adviser's management functions for personnel reference in paragraph (i) above, and; (c) rent, utilities, office supplies, equipment, telephone, fax, and postage expenses used at the district, regional or corporate offices of the Adviser.

Item 6. Performance Based Fees and Side-by-Side Management

As described under Item 5 "*Fees and Compensation*," FCA is entitled to receive performance-based fees and/or carried interest distributions based upon the performance of Clients' investments recommended by FCA. As of the date of this Brochure, FCA manages one Client.

In the event FCA acquires more clients this could create an incentive for FCA to favor certain Clients over Clients who pay lower or no performance-based compensation. Performance-based fees also may create an incentive for the Adviser to pursue investments that are riskier or more speculative than would have been the case in the absence of such allocation.

FCA has adopted policies and procedures to operate in a manner whereby its current Client and all of its future potential clients are treated fairly and equitably and to minimize the risk of any potential conflicts of interest.

Item 7. Types of Clients

As of the date of this Brochure, FCA provides discretionary investment advisory services to one institutional client and may in the future provide such services to additional clients. Currently, the Company does not have any requirements, such as minimum account size or investment amount, in order for a Client to open or maintain an account or establish a relationship with the Company.

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

FCA's investment strategy is to make consistent and disciplined investments in, and conduct the asset management of, a broad range of primarily real estate-related investments throughout the United States. In evaluating potential opportunities for Clients, FCA conducts extensive due diligence, employs a value-oriented approach, assesses each investment on a risk-adjusted basis, implements their proactive, integrated asset management approach, and places significant emphasis on downside analysis.

FCA approaches the investment process by evaluating investment opportunities through a rigorous underwriting and due diligence process, as well as proactive asset management. The investment process incorporates a high degree of coordination, institutional controls, checks and balances, and risk management. Prior to making an investment, the Adviser conducts a detailed due diligence process that consists of reviewing some or all of the following elements, as and when applicable: historical and pro forma financial statements and rent rolls, business plans, market information, property and collateral condition, legal documentation, zoning compliance, entitlements, environmental condition, and title and hazard insurance.

Risks

Risks are inherent in real estate investments and cannot be avoided. Such risks include, but are not limited to, real estate regulatory risk and risk of declining economic markets or business conditions. In view of the risks associated with an investment in real estate, only investors able to bear the economic risk of their investment for an indefinite period and able to afford loss of their investment should consider investing.

The primary risks related to investment in real estate generally and the significant investment strategies employed by FCA are described below. Not all possible risks are described below. The

specific risks applicable to each Client will differ based on the Client's investment strategy and the type of assets held in the Client's portfolio.

No Assurance of Investment Return; Possible Loss of Entire Investment

FCA cannot ensure that it will be able to choose, make and realize investments in any particular property or portfolio of properties. Returns are not guaranteed and there can be no assurance that the returns will be commensurate with the risks of investing in the types of properties that FCA targets. Accordingly, only Clients that can afford a loss of their entire investment should consider investing. The past performance of FCA and its affiliates is not indicative of future performance.

Highly Competitive Market for Real Estate Investment Opportunities Generally

The activity of identifying, completing and realizing attractive real estate investments is highly competitive and involves a significant degree of uncertainty. FCA Clients will be competing for investments with many other investment vehicles, as well as individuals, financial institutions, investment managers, industrial groups, merchant banks and other institutional investors. Additional funds and vehicles with similar investment objectives may be formed in the future by other unrelated parties and further consolidation may occur (resulting in larger funds and vehicles). There can be no assurance that FCA will be able to locate, complete and exit investments that satisfy a Client's objectives or realize the value of such investments.

Difficulty of Identifying Attractive Real Estate Investments

The availability of real estate investment opportunities generally will be subject to the prevailing market conditions and the regulatory or political climate in the region. In addition, the business of identifying and structuring real estate investments of the types contemplated by FCA for Clients is highly competitive and involves a high degree of uncertainty. Accordingly, there can be no assurance that it will be able to identify and complete attractive real estate investments in the future, or that it will be able to fully invest a client's committed capital.

Limited Liquidity of Real Estate Investments

Clients invest primarily in real property. As a result, there generally will be limited or no marketability of the investments and such investments may decline in value while FCA seeks to dispose of them. Furthermore, FCA may find it necessary to sell real estate investments at a discount or to sell over extended periods of time when disposing of portfolio investments. Therefore, it is expected that the investments generally will not be sold for a number of years and will remain relatively illiquid and difficult to value. The marketability and value of any such real estate investments will depend upon many factors beyond FCA's control. It is anticipated that there will be a significant period of time before a Client will have completed its investments in real properties. Such investments are expected to take from three to six years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Therefore, FCA anticipates a long time period between the initial capitalization of a Client and return on investment, if any.

Investments Longer than Term

FCA may invest Client assets in real estate investments that may not be advantageously disposed at the time the Client is expected to terminate or be dissolved. Although FCA expects that investments will be disposed of prior to termination, FCA may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of termination or dissolution.

Real Estate Risks Generally

Real estate investments are subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic climate, changes in supply of and demand for competing properties in an area (as a result of overbuilding, for instance), the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations (such as rent control), changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war, virus pandemics, and other factors that are beyond FCA's control. There can be no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale.

Investments in Undeveloped Land/New Development

Clients may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing. To the extent that a Client invests in such properties, it will be subject to the risks normally associated with such properties and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond FCA's control, such as weather or labor conditions or material shortages), the availability of both construction and permanent financing on favorable terms or at all, and the availability to identify and participate in development projects with, or obtain or renew land lease rights from, government authorities. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on a Client's account. Properties under development or properties acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development which makes such development less attractive than at the time it was commenced.

Zoning Restrictions and Local Opposition

In order to develop a property on a particular site, the zoning of such site must permit the development of residential, office, industrial and/or retail activities of the type intended for development by FCA. In instances where the existing zoning is not suitable or in which the zoning has yet to be determined, FCA's developers or affiliates will be required to apply for the required zoning classifications. This procedure may be protracted, particularly where the bureaucracy is cumbersome and inefficient, and there can be no assurance that the process of obtaining proper zoning will be completed with sufficient speed to enable the office, retail, industrial and/or residential developments to be completed ahead of any competitor development, or at all. Opposition by local residents to zoning and/or building permit applications may also cause considerable delays. In addition, arbitrary changes to applicable zoning by the relevant authorities may jeopardize projects that have already commenced. Therefore, if FCA or its affiliates do not receive zoning approvals or if the procedures for the receipt of such zoning approvals are delayed, costs will increase, which could have a material adverse effect on the business, financial condition and results of operations of real estate investments.

Unlawful or Arbitrary Action by Regulatory Authorities

There is a risk that regulatory authorities in certain jurisdictions may exercise a high degree of discretion and at times exercise their discretion arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law. Unlawful or arbitrary actions could include attempted bribery, unscheduled inspections by regulators, suspension or withdrawal of licenses and permissions, unexpected tax audits, criminal prosecutions and civil actions. Unlawful or arbitrary regulatory action directed at FCA, its local partners or Client accounts could have a material adverse effect on the business, financial condition, or results of operations of the accounts.

Construction Delays and Cost Overruns

Construction delays and cost overruns may increase project development costs for investment projects. In addition, delays in the completion of a project may result in a delay in the commencement of cash flow, which would increase capital needs. Projects may also incur construction and other development costs that exceed original estimates due to increases over time in interest rates, material costs, labor costs or other costs. These delays and increased costs could make completion of a project uneconomical because market prices may not increase sufficiently to compensate for the increase in construction and other development costs. Consequently, Clients may not be able to dispose of any investment profitably. It may also be impossible to complete construction of a project on schedule or within budget due to a variety of other factors, including shortages of materials, equipment, technical skills and labor; adverse weather conditions; natural disasters; labor disputes; unforeseen engineering, environmental or geological problems; disputes with contractors and sub-contractors; delays in obtaining licenses, permits and approvals from the relevant authorities; and other problems and circumstances that may result in increased construction and development costs. Any of these factors may adversely affect the financial results of client investments.

Risk of Limited Number of Investments; Lack of Diversity

Although FCA offers to advise on a variety of real estate investments, Clients may ultimately participate in a limited number of investments due either to market conditions or to their own investment objectives and restrictions. As a consequence, their aggregate return may be substantially adversely affected by the unfavorable performance of even a single investment. The value of an investment may be materially affected by a single adverse political or economic event in a foreign country.

Financial Market Fluctuations

General fluctuations in the market prices of securities may affect the value of real estate investments. Instability in the securities markets may also increase the risks inherent in the investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, which can be volatile.

Market Conditions

FCA's strategy in some investments may be based, in part, upon the premise that real estate businesses and assets will be available for purchase at prices that FCA considers favorable. Further, FCA's 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 of FCA's control.

Use of Leverage

While investments in leveraged properties offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Clients' investments involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the investment's profitability or ability to meet debt service obligations. Moreover, any rise in interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, clients may suffer a partial or total loss of capital invested in the project.

Insurance May Not Cover All Losses

Uninsured and underinsured losses could harm the value of Client assets. Various types of losses, such as losses due to wars, riots, nuclear reaction, terrorist acts, earthquakes, floods, hurricanes, pollution or environmental matters, generally are either uninsurable (or not economically insurable) or may be subject to insurance coverage limitations, such as large deductibles or co-

payments or insurance only being available in amounts less than the full market value or replacement cost. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance. As a result, there can be no assurance that all investments will be insured against terrorism, or that particular risks which are currently insurable will continue to be insurable on an economic basis. Should an uninsured loss or a loss in excess of insured limits occur, clients could lose all or a portion of the capital they have invested in an investment, as well as the anticipated future revenue from the investment. In that event, Clients might nevertheless remain obligated for any notes payable or other financial obligations related to the investment, in addition to the Client's obligations to the ground lessors, franchisors and managers. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the portfolio properties pledged as collateral for loans, and other factors might also keep the clients from using insurance proceeds to replace or renovate an investment after it has been damaged or destroyed. Under those circumstances, the insurance proceeds clients receive might be inadequate to restore their economic position on the damaged or destroyed investment.

Conflicts of Interest

FCA and its affiliates will be subject to various conflicts of interest in carrying out their responsibilities to Clients. Clients should carefully review and evaluate the certain actual and potential conflicts of interest disclosed in the governing documents. Pursuant to the governing documents, each Client will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflict of interest. Certain other potential conflicts of interest include, but are not limited, to:

➤ *Principal and Agency Cross Transactions*

From time to time, in the event the Company engages more than one Client, a Client may buy or sell equity interests in a real estate vehicle or direct interests in real estate from another Client. In such transactions, FCA will have a conflict of interest in recommending both the purchase and sale of such assets and it could be receiving different levels of asset management fees from the Clients involved in the transaction. FCA will provide disclosures of material conflicts of interest to the Clients in advance, and no brokerage fees or commissions will be charged on such transactions. In determining a fair value for such a transaction, FCA intends to obtain a broker opinion of value on the value of any property transferred, and to consider other factors it deems material.

➤ *Investments with Affiliates*

FCA (or an affiliate) may from time to time engage in certain transactions with Clients, such as purchasing real estate investments from a Client and investing in entities in which Clients may hold an interest. Such investment transactions will generally be made on terms (including the consideration to be paid) that are determined by FCA to be fair and

reasonable to the Client. In compliance with FCA's Code of Ethics described below, FCA's employees may invest in real estate investments subject to certain limitations and conditions. FCA's supervised persons may co-invest alongside Clients in real estate investments on the same terms and conditions as the Client, except that asset management fees and carried interest may be waived for such employees. In addition, FCA's employees personally may own equity interests in entities that receive asset management fees and/or carried interest distributions paid by Clients.

Bankruptcy

Certain investments may become subject to compromise and/or discharge under the U.S. Bankruptcy Code. Investments in entities which later file for relief as debtors in proceedings under Chapter 11 of the U.S. Bankruptcy Code may, in certain circumstances, be subject to litigation, which could further impair the value of the investment. For example, under certain circumstances, lenders which have inappropriately exercised control of 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. In addition, under certain circumstances, payments to a Client (which could include distributions to the Client) may be reclaimed in the course of bankruptcy proceedings if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment (or the equivalent under the laws of certain jurisdictions). Bankruptcy laws may delay the ability of clients to realize on collateral for loan positions or may adversely affect the priority of such loans through doctrines such as equitable subordination. Bankruptcy laws may also result in a restructure of debt without the Client's consent under the "cramdown" provisions of the bankruptcy laws and may also result in a discharge of all or part of the debt without payment to the Client. Non-U.S. jurisdictions may present credit issues that are similar to or different from U.S. issues.

Force Majeure

Investments (including specific properties) may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, and labor strikes). Some force majeure events may adversely affect the ability of a party to perform its obligations until it is able to remedy the force majeure event. In addition, the cost of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Clients may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over certain assets, could result in a loss to Clients. Any of the foregoing may therefore adversely affect the performance of Clients' investments.

Environmental Liability

Under various U.S. federal, state, and local laws, ordinances and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or

remediation of certain hazardous or toxic substances at, on, under or in its property. The costs of removal or remediation of such substances could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The Adviser will attempt to assess such risks as part of due diligence activities but cannot provide any assurance that such conditions do not exist or may not arise in the future. The presence of such substances on the real estate investments made by Clients could adversely affect the Adviser's ability to sell these investments or to borrow using such investments as collateral.

Valuation of Real Estate

Real estate valuation is an inherently inexact process and depends on numerous factors, all of which are subject to change. Third-party appraisals and/or internal opinions of value may prove to be insufficiently supported, and the respective reviews of the values of the underlying properties in determining whether a client should make or participate in an underlying investment and the value of the underlying properties may be based on information that is incorrect or opinions that are overly optimistic. The risk of default in such situations is increased, and the risk of loss to clients will be commensurately greater.

Joint Venture Investments

The Adviser intends to make investments in other entities and enter into partnerships or joint ventures with another person or entity. Although the Client may not have control over these investments and, therefore, may have a limited ability to protect their positions therein, the Adviser would seek to obtain appropriate rights to protect the Client's interests. However, such rights will be subject to negotiation. In addition, these investments may involve risks not present in direct property investments, including, for example, the possibility that a co-venturer (i) might become bankrupt or have financial difficulties; (ii) might have a different term, investment objective or be subject to more or less leverage than the Client and therefore dispose of an investment at a different time; or (iii) may at any time have economic or business interests or goals that are inconsistent with those of the Client. In addition, such co-venturers may be in a position to take action contrary to the Client's objectives. These co-venturers will generally not owe any fiduciary or other duties to the Client. In such an event, the Adviser may not be in a position to unilaterally control such investments or exercise certain rights associated with such investments. Also, actions taken by bankrupt entities could subject the Client to liabilities larger than, or other than, those anticipated. The Client may, in certain circumstances, be liable for the actions of its third-party partners or co-venturers. In the event a third-party co-venturer defaults on its funding obligations to an investment, the Client may be required to make additional capital contributions to such investment to replace the shortfall caused by such third-party co-venturer. Similarly, the Client and a co-venturer may provide joint guarantees or indemnities (or the Client may seek a back-to-back guarantee or indemnity from a co-venturer) in connection with a joint venture and, to the extent that the co-venturer does not satisfy all or a portion of such obligations (or does not assume any such obligations), the Client may be required to satisfy the entirety of such obligation or such shortfall.

In addition, the Adviser, on behalf of the Client, may rely upon the abilities, services or management expertise of an asset servicer, investment co-venturer, co-lender or loan participant. FCA may encounter challenges or resistance to disposing of an interest in an asset that is subject to a servicing contract or a joint venture or loan participation transaction. A joint venture investment agreement or loan participation agreement may grant co-venturers, partners, co-lenders or loan participants veto powers with respect to major decisions concerning management or disposition of an investment, which could increase the risk of deadlocks that may adversely affect investment liquidity, values and returns. If the Client and co-venturers have the ability to dispose of their interests in the co-investment separately, a disposition of a large position by one party may depress the market value of the continuing investment of the remaining co-venturers (possibly including the Client) or may reduce the price available to other co-venturers (possibly including the Client) which may also be disposing of their respective investments. If a co-venturer removes its general partner or manager or terminates prior to the Client, the ability of the Client to exercise certain rights associated with its investment may require the cooperation of a successor general partner/manager or other persons. It may not be practicable or possible to review the qualifications, condition or suitability of prospective co-venturers or partners.

Fraud

There can be no assurance that FCA will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor its investments on an ongoing basis. In the event of fraud by any portfolio investment or any of its employees or affiliates, a Client may suffer a partial or total loss of capital loaned to that company.

Item 9. Disciplinary Information

FCA and its employees have not been involved in any legal or disciplinary events in the past ten years that would be material to a Client's evaluation of FCA or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

FCA retains affiliates, which receive certain fees and expense reimbursements from the Client or a portfolio property, as applicable. Such fees and reimbursements are in addition to any management fee or performance-based compensation received by FCA (or an affiliate) from Clients.

FCA endeavors to engage reputable service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates. Engagement rates and terms when hiring FCA or its affiliates for services provided to the Client or a portfolio property will generally be no less favorable than those of a comparably qualified unaffiliated third party in an agreement negotiated on an arms-length basis in the applicable market.

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

In order to avoid any potential conflicts of interest involving personal trades, FCA has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act, which requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of the Adviser above one’s own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

The Code also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide the Adviser with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest. A copy of the Code shall be provided to any client or prospective client upon request.

Employees may be permitted to invest in opportunities offered to Clients, subject to policies and procedures adopted by FCA and such limitations as are set forth in applicable Client governing documents, including requiring certain pre-approvals of such investments.

Item 12. Brokerage Practices

The investments made by FCA on behalf of its Client are generally private, illiquid and long-term in nature. As such, broker-dealers are not generally used for transactions. In cases where transactions are executed through a broker, dealer, or underwriter, and where the Adviser is responsible for selecting the broker, dealer or underwriter, the Adviser’s objective will be to seek “best execution.” FCA will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as

prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers.

The Adviser does not utilize soft dollar arrangements (that is, arrangements under which research and certain other services are acquired in connection with brokerage arrangements).

Item 13. Review of Accounts

FCA actively monitors and manages the assets and performance of Clients and evaluates potential exit strategies and other means of adding value with respect to the invested assets. FCA has an investment committee that meets regularly to formally review current investment opportunities being underwritten and discusses and approves the structure, terms and proceeds of investments prior to closing. More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or the investments within them, including changes in the financial markets and activity and trends in the political or economic environment.

FCA will prepare reports to Clients regarding their investments as agreed upon in the respective governing documents. Such reports typically contain financial information and summaries, performance, current investments, recent acquisitions, portfolio activity, detailed investment activity, and relevant developments in the property and financial markets.

Item 14. Client Referrals and Other Compensation

FCA does not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither the Adviser nor any related person, directly or indirectly, compensates any person who is not a supervised person for Client referrals.

Item 15. Custody

With certain exceptions, Rule 206(4)-2 promulgated under the Advisers Act, commonly known as the “Custody Rule,” requires registered investment advisers who are deemed to have custody of client funds and securities to satisfy certain requirements. An adviser is generally deemed to have custody of client assets when it has the authority to obtain possession of them.

FCA has custody of its Clients’ assets. All Client accounts are subject to an annual audit by a PCAOB-registered independent public accountant and copies of the audited financial statements are distributed to Clients annually within 120 days of fiscal year end.

Item 16. Investment Discretion

Clients are managed on a discretionary basis, subject to any applicable restrictions that are set forth in relevant governing documents. The Company typically has the authority to determine which investments to make without obtaining specific Client consent.

Item 17. Voting Client Securities

Clients invest primarily in real estate assets which typically do not issue proxies. Notwithstanding, FCA has adopted policies and procedures regarding proxy voting (the “Proxy Voting Policy”) for cases where Clients do come into possession of securities with voting rights. The Proxy Voting Policy provides that the Adviser will seek to vote such proxy in the best interest of each Client. If the Adviser believes that a particular vote presents a material conflict of interest, it will determine how to vote, taking into consideration various factors, including the investment objectives and strategies of the relevant Fund, and any procedures set forth in the relevant governing documents. A copy of the Adviser’s written proxy voting policies and procedures, as well as a record of how the Adviser has voted, will be maintained and available for review by clients upon written request to the Chief Compliance Officer.

Item 18. Financial Information/Condition

FCA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services rendered. Accordingly, FCA is not required to provide a balance sheet in response to this Item 18.

FCA has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

FCA has not been the subject of a bankruptcy petition at any time during the past ten years.