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March 27, 2024

This Brochure provides information about the qualifications and business practices of Pembrook Management Holdings, LLC (“ ”), PCI III Management, LLC (“ ”), and PCI IV Management, LLC (“ ”). All are majority owned subsidiaries of Pembrook Capital Management LLC (“ ” or the “ ”), a registered investment adviser with the Securities and Exchange Commission (the “ ”). PCM, PMH, PCIM III, and PCIM IV (individually referred to as an “Adviser”) are affiliated advisory entities that effectively operate as one business (collectively referred to as “ ”).

If you have questions about the content of this Brochure, please contact Stuart Boesky at (212) 906-8682 or sboesky@pembrookgroup.com. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or any state securities authority. Additional information about Pembrook is also available on the SEC’s website at www.adivserinfo.sec.gov.

This brochure was updated as part of Pembroke's Form ADV Annual Updating Amendment for the fiscal year ending December 31, 2023.

This brochure did not include any material changes since our last Annual Updating Amendment.

This brochure includes non-material changes such as updated regulatory assets under management and non-material revisions throughout.

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- A. PMH is a Delaware limited liability company formed in November 2006 for the purpose of serving as the managing member and investment adviser of Pembroke Community Investors LLC (“ ”), which began operations in March 2007. PMH is a wholly owned subsidiary of PCM.

PCIM III is a Delaware limited liability company formed in July 2013 for the purpose of serving as the managing member and investment adviser for PCI Investors Fund III, LLC (“ ”). PCIM III also serves as the investment manager to PCI III Preferred Equity Issuer, LLC (“ ”), which is a wholly owned subsidiary of Fund III. PCIM III is a wholly owned subsidiary of PCM.

PCIM IV is a Delaware limited liability company formed in July 2018, and commenced operations in 2018, for the purpose of serving as the managing member and investment adviser for PCI Investors Fund IV, LLC (“ ”). PCIM IV also serves as the investment manager to PCI IV Preferred Equity Issuer, LLC (“ ”), which is a wholly owned subsidiary of Fund IV. PCIM III is a wholly owned subsidiary of PCM.

PCM is a limited liability company founded in 2006 by Stuart J. Boesky and is 100% owned directly or indirectly by Mr. Boesky.

Pembroke Community Investors I (REIT) LLC (the “ ”), a Delaware limited liability company, was formed in April 2018 and began operations in January 2019 with the sole purpose of investing all of its assets in PCI. Pembroke Community Investors I (REIT) LLC is managed by a board of directors consisting of members who are also officers of PCM.

Pembroke currently provides discretionary investment advisory services to seven domestic pooled investment vehicles: PCI Fund, Fund III, Fund III Preferred, Fund IV, Fund IV Preferred and REIT Fund (collectively the “Funds”). Pembroke primarily provides investment advice regarding commercial real estate debt and structured financial products and, to a lesser extent, preferred equity structured as debt instruments throughout the United States. The investment strategy for the Funds will focus on investments in first mortgages, mezzanine loans and preferred interests secured by transitional commercial real estate assets in primary and secondary markets. An important part of the Funds’ strategy is to include in their investments certain real estate debt and, to a lesser extent, preferred equity, associated with underserved property types and markets that benefit from regulatory advantages, such as low and moderate income housing and commercial, retail and other property types in low and moderate income areas. This may present certain regulatory advantages for the Funds’ investors that are subject to requirements of the Community Reinvestment Act of 1977 (the “ ”). The Funds’ property types are primarily multifamily, and to a lesser extent other commercial property types, and a portion of these investments could bring new capital to community development and generate for

certain of the Funds' investors positive consideration (" ") under the CRA investment test (" "). The investment objective of the REIT Fund is to hold common interests (" ") in Fund I, whose investment objective is noted above.

Pembroke's investment management and advisory services are provided to the Funds pursuant to the terms of the Funds' respective operating and services agreements and based on the specific investment objectives and strategies as disclosed therein.

Pembroke does not participate in wrap fee programs.

As of December 31, 2023, Pembroke managed approximately \$534,794,605 in regulatory assets under management on a discretionary basis. Pembroke does not manage any assets on a non-discretionary basis.

Common interests in the Funds are referred to as “_____” herein. Preferred interests in PCI Fund (the “_____”) are comprised of Series A Preferred CRA Interests (the “_____”), Series B Preferred CRA Interests (the “_____”), and Series C Preferred CRA Interests (the “_____”). Investors in either Common Interests (including as an investor the REIT Fund) or Preferred CRA Interests are collectively referred to as “_____”.

Investors in Fund IV are referred to herein as “_____”. Investors in Fund IV Preferred will be referred to as “_____”. Fund IV _____ will form an advisory committee of which there are at least three Members who have designated at least three natural persons to serve thereon, all of whom are independent of PCIM IV, Pembroke, and their affiliates (the “_____”).

Investors in Fund III are referred to herein as “_____”. Investors in Fund III Preferred will be referred to as “_____”. Fund III _____ have formed an advisory committee of which there are at least three Members who have designated, at least three natural persons to serve thereon, all of whom are independent of PCIM III, Pembroke, and their affiliates (the “_____”).

At times, investors in either Common Interests (including as an investor the REIT Fund) or Preferred CRA Interests are collectively referred to as “_____” (each, a “_____”).

Interests in the REIT Fund are represented by “Class A Common Units” (the “_____”) and “Class B Common Units” (the “_____”), and together with the Class A Common Units, the “_____”) and “Preferred Units” (the “_____”). At times, investors in either Common Units or Preferred Units are collectively referred to as “_____”. PMH will not directly receive any fees from the REIT Fund. The REIT Fund is charged the same fees as the PCI Members described below, and pays the fees directly to PCI Fund.

Management Fees

PCI Fund will pay to PMH a management fee (the “_____”), payable in cash, in arrears, at the rate of 0.5% per quarter (equivalent to 2.0% per annum) of the balance of the adjusted capital accounts of PCI Members holding Common Interests and Preferred CRA Interests as of the end of each fiscal quarter. The Management Fee will be calculated at the end of each fiscal quarter, immediately following the quarterly allocation of appreciation or depreciation and prior to any distributions.

Incentive Fees

If after calculating common net capital appreciation or common net capital depreciation, there is common net capital appreciation for a fiscal quarter (including, if there is more than one accounting period in such fiscal quarter, all such accounting periods), an amount of income and gain equal to 20% of the common net capital appreciation, consisting of a pro rata portion of each item of income and gain (including tax-exempt income) (the “ ”) will be allocated to Pembroke Management Holdings II, LLC, an affiliate of PMH (or to any other PCI members as have been designated in writing by PMH), except that the Incentive Amount shall be subject to a “high water mark” or “loss carryforward” as follows: if any PCI Member holding common interests has a balance in such PCI Member’s adjusted net loss account, then the Incentive Amount deducted with respect to such PCI Member for any fiscal quarter shall equal 20% of the excess of such PCI Member’s share of the common net capital appreciation for such fiscal quarter over the balance of such PCI Member’s adjusted net loss account as of the end of such fiscal quarter. The “Adjusted Net Loss Account” is an account maintained by the Fund for each PCI Member holding common interests of the total amount of losses and other negative adjustments to the capital account of such PCI Member for all accounting periods, reduced (but not below zero) by the total amount of income and other positive adjustments to the capital account of such PCI Member for any accounting period in which there is a positive balance in such PCI Adjusted Net Loss Account. The Adjusted Net Loss Account of each PCI Member holding common interests will be adjusted in proportion to any redemptions and transfers of interests in the Fund by such PCI Member.

Origination Fees

Pursuant to the fund management agreement, PMH may perform loan origination services for PCI Fund, including, but not limited to, sourcing, due diligence and the negotiation and documentation of loan transactions in connection with investments originated by PMH on behalf of PCI Fund. Any origination fees, commitment fees, points and/or similar compensation payable from the issuer/borrower in connection with such investments (“ ”) are, as provided in the agreement, payable to the Manager on each June 30th and December 31st (subject to the satisfaction of the subordination restrictions with regard to the Preferred CRA Interests described in their respective Certificates of Designation) in respect of any additional due diligence, underwriting and other investment services required to be performed by PMH in connection with such investments; provided, however, that Origination Fees received by PMH in connection with such investments are required to be substantially similar to the fees PCI Fund would incur for the services provided by PMH in connection with the origination of such investments from an affiliated party.

The fee arrangements between Pembroke and PCI Fund are not the product of an arm’s length negotiation with a third party. In addition, conflicts of interest may arise in the allocation process of the investment opportunities that become available based, in part, on differences that may exist between Pembroke’s various Funds based on management fees or origination fees payable to PMH or related advisers. This conflict occurs both with respect to investment by other Pembroke funds and with proprietary investments by Pembroke entities or related persons. Pembroke believes that the policies and procedures

it has adopted (see Item 6, below), as well as the provisions in the various Funds' operating agreements and disclosure documents, are designed appropriately to address conflicts of interest.

PCI Fund bears all expenses associated with the investment activities and operations of PCI Fund, including, without limitation, acquisition, ownership, financing, hedging or sale of investments (including any hedging costs), brokerage commissions, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees, costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by PMH, any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against PCI Fund or PMH in connection with the affairs of PCI Fund, loan servicing fees, property management fees, appraisals, engineering expenses, title reports and lien searches (including Uniform Commercial Code, judgment and bankruptcy lien searches), insurance premiums, all litigation-related and indemnification expenses (including the amount of any related judgment or settlement), costs of communication with Members, investment-related travel and entertainment expenses, legal, accounting, auditing and tax services and fees, withholding and transfer fees, clearing and settlement charges, fees of an administrator, fees of any sub-advisors, maintaining the books and records of PCI Fund and distributing reports to PCI Members, and any extraordinary expenses or other expenses related to the purchase, sale or transmittal of investments.

Any withholding or transfer taxes imposed on PCI Fund or any of its PCI Members as a result of its or their earnings, investments or redemptions will be assessed, where applicable to particular PCI Members, directly against the capital accounts of such PCI Members.

All costs and expenses associated with the organization of PCI Fund, including government incorporation charges and professional fees and expenses in connection with the preparation of PCI Fund's definitive offering documents and the preparation of the basic corporate and contract documents of PCI Fund, will be paid by PCI Fund out of the proceeds of the initial capital contribution of the PCI Members and amortized over 60 months. Since amortization of organizational expenses over 60 months is not in accordance with U.S. generally accepted accounting principles, the opinion of the auditors of the Fund's financial statements may be qualified, and the Net Asset Value of the Fund used for purposes of subscriptions and redemptions may be higher than the Net Asset Value of the Fund reported in its audited financial statements.

Although permitted to do so, PMH does not currently collect management or incentive fees otherwise payable in advance.

As noted above, PMH may receive a fee from borrowers in connection with the origination of new investments. Among its supervised persons, Pembroke utilizes the services of consultants who can receive all or a portion of their compensation from such fees paid in association with the acquisition of such securities.

Management Fee

PCIM III shall receive from _____ as compensation for its services an investment advisory fee (the “Advisory Fee”) payable quarterly in advance and prior to any distributions to Fund III Members, equal to (i) 0.75% per annum of Committed Capital (as defined below) through the investment period (which the manager has currently waived) plus (ii) 1.5% per annum of Drawn Capital (as defined below), less the placement fees, if any, paid by Fund III. For purposes hereof, (i) “Committed Capital” means, from the date of any subscription agreement through the end of the investment period, all investor capital for which the Fund has a commitment but which is not Drawn Capital; and (ii) “Drawn Capital” means all investor capital which (A) has been drawn and paid into Fund III by the Member and not returned, or (B) is security for an outstanding drawing on a subscription line of credit of Fund III. The Advisory Fee is payable quarterly in advance and prior to distributions to Fund III Members. After the end of the investment period no Advisory Fee shall be payable to PCIM III with respect to any capital attributable to investments which have been written off by the Fund and for which all recovery efforts have ceased.

PCIM IV shall receive from _____ as compensation for its services an investment advisory fee (the “Advisory Fee”) payable quarterly in advance and prior to any distributions to Fund IV Members, equal to 1.5% per annum on Drawn Capital (as defined below), less the placement fees, if any, paid by Fund IV. For purposes hereof, “Drawn Capital” means all investor capital which (A) has been drawn and paid into Fund IV by the Member and not returned, or (B) is security for an outstanding drawing on a subscription line of credit of Fund IV. After the end of the investment period no Advisory Fee shall be payable to PCIM IV with respect to any capital attributable to investments which have been written off by the Fund and for which all recovery efforts have ceased.

Incentive Fees

Cash which PCIM III deems available for distribution generated by _____ investments, net of the respective Advisory Fees, expenses attributable to such investments, and an allocable portion of expenses not directly relating to any investment, and, if necessary, any contribution to Fund III Preferred needed to pay any quarterly preferred distributions accruing on the Preferred Interests, may be distributed by Fund III quarterly to the Fund III Members as follows.

- (1) First, to the Members, (including PCIM III) based on their respective “Percentage Interests” (determined by dividing each Member’s capital contributions by the aggregate capital contributions of all Members), until each such Member has received with respect to contributed capital of such Member, calculated for the period such

Other Fee Information

PCIM III and IV may receive fees for providing services to _____ (respectively) which are outside the scope of the advisory agreement, such as loan servicing, special servicing and asset management of REO properties, upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's length basis with third parties and after prior consultation with and approval by the Advisory Committee.

The fee arrangements between Pembroke and the Funds are not the product of an arm's length negotiation with a third party. In addition, conflicts of interest may arise in the allocation process of the investment opportunities that become available based, in part, on differences that may exist between Pembroke's various Funds based on management fees or origination fees, as well as application, commitment, acquisition or similar fees associated with such investments that may be paid to Pembroke and certain of its related advisers. This conflict occurs both with respect to investment by other Pembroke funds and with proprietary investments by Pembroke entities or related persons. Pembroke believes that the policies and procedures it has adopted (see Item 6, below), as well as the provisions in the various Funds' operating agreements and disclosure documents, are designed appropriately to address conflicts of interest.

The Funds shall reimburse PCIM III and PCIM IV for up to \$1.5 million, respectively, for the expenses of organizing the Funds; provided that, any expenses in excess of such amount shall be borne by PCIM III and IV. Fund III and IV Members and Fund III and IV Preferred Members will not be charged any sales or placement fees for purchasing interests in the Fund. The Funds will bear the initial cost of placement fees when otherwise due and payable, provided that, the Advisory Fees otherwise payable by the Funds to PCIM III and IV (respectively) hereunder will be reduced to the extent of all such placement fees. The Funds shall be responsible for all fees and expenses incurred with respect to the business of the Funds and shall reimburse PCIM III and IV, as applicable, for the reasonable expenses, obligations and other liabilities incurred or paid by PCIM III and IV and its affiliates in performing the obligations of the managing member and the investment adviser to the Funds or otherwise providing services to or for the benefit of the Fund. All Fund expenses and Advisory Fees shall be paid out of cash funds of the Funds determined by PCIM III and IV to be available for such purpose prior to the distribution of any available cash to any of the Fund III and IV Members and Fund III and IV Preferred Members.

Advisory Fees are payable quarterly in advance and included in the calculation of funds available for distributions to Fund Members. However, PCIM III and IV currently do not collect any Advisory Fees until after the end of the quarter in which they are payable.

Sponsors/borrowers to whom the Funds make loans are typically required to pay application, origination, commitment, acquisition or similar fees associated with such loans. Among its supervised persons, Pembroke utilizes the services of consultants who can receive all or a portion of their compensation from the acquisition fees associated with such securities.

General Fee

Pembrook will be responsible for paying rent, overhead expenses and salaries and other compensation expenses in respect of its employees and those of its affiliates, and will be responsible for paying all taxes measured by net income of Pembrook, and will not be entitled to reimbursement from the Funds for any such rent, overhead expenses, salaries, compensation or taxes, nor will there be any allocation to the Funds of any such rent, overhead expenses, salaries, compensation or taxes.

Each Fund is dependent on its Adviser for its day-to-day management and does not have any independent officers or employees. The management agreement with each Adviser was negotiated between related parties and its terms, including fees and other amounts payable, may not be as favorable as if it had been negotiated at arm's length with an unaffiliated third party. Each Fund relies on Pembrook for its daily operation, origination of its investments and the management of its assets. Pembrook employees and its affiliates may have conflicts in allocating their management time, services and functions among the Funds and any future real estate investment programs or other business ventures which Pembrook may organize or serve, as applicable. Pembrook believes that it and its affiliates have enough staff to perform their responsibilities in connection with all of the real estate programs and other business ventures in which they are involved and that the employees of Pembrook will devote a sufficient portion of their time attending to the business of the Funds.

As noted in Item 5, PMH is entitled to incentive fees or performance-based fees from the PCI Fund and; PCIM III and IV are entitled to a Carried Interest in Fund III and IV. Pembrook believes that the existence of performance fees aligns the interest of Pembrook with the investors. Currently, all the private funds managed by Pembrook receive generally the same percentage performance fee.

However, conflicts of interest may arise in the allocation process of the investment opportunities that become available. This conflict can occur both with respect to investment by other Pembrook funds and with proprietary investments by Pembrook entities or related persons. The allocation to PMH of the Incentive Amount for a fiscal quarter may create an incentive for PMH to cause PCI Fund to make investments that are riskier or more speculative than would be the case if the allocation of the Incentive Amount were not made. In addition, since PMH's Incentive Amount is calculated on a basis which includes unrealized appreciation of PCI Fund's assets, it may be greater than if such allocation were based solely on realized gains. The Incentive Amount was set by PMH without negotiation with any third party. In order to minimize this conflict, Pembrook has adopted policies and procedures that include the investment allocation process. In general, these policies provide for the fair and equitable allocation of investment opportunities among all Pembrook accounts or affiliated parties. Pembrook's or its affiliates' right to invest in the same investment opportunities is subject to the suitability of each investment opportunity for the particular client and the availability of cash for investment.

An Adviser has the discretion to enter into agreements, or “side letters”, with certain prospective or existing investors or limited partners whereby such investors or limited partner (including such persons that may be affiliated with Pembroke or its affiliates) may be subject to terms and conditions that are more advantageous than those set forth in the Funds’ applicable offering memoranda.

For example, such terms and conditions may provide for special rights to make future investments in such funds; specific geographic preferences for investment; special redemption rights, including those relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the investors or limited partners and/or other terms; rights to receive reports on a more frequent basis or that include information not provided to other investors or limited partners (including, without limitation, more detailed information regarding investments in such fund) and such other rights as may be negotiated by the investors or limited partners. Any acceptance or modifications to the terms of the such side letter is solely at the discretion of Pembroke (including such persons that may be affiliated with the Adviser or its affiliates) and may, among other things, be based on the size of an investor’s or limited partner’s investment in such fund(s) or affiliated investment entity, an agreement by an investor or limited partner to maintain an investment in such fund for a significant period of time, or other similar commitment by an investor or limited partner to such fund.

With regard to existing side letters and the Preferred CRA Interests’ Certificates of Designation executed by Preferred CRA members, including the Series C Preferred CRA Interests which came into effect January 1, 2022, the provisions specifying investment priorities in CRA Investments previously have been applied. Under the terms of PCI Fund’s operating agreement and Preferred CRA Interests’ Certificates of Designation, PCI Fund is no longer obligated to replace such CRA Investments with new CRA Investments.

In the event that (i) an opportunity to invest in any individual investment is Suitable (as defined below) for more than one fund managed by Pembroke or its affiliates, Pembroke will offer such investment opportunity to each such fund, on a *pari passu* basis, or (ii) an opportunity to invest in any individual investment is suitable for the Funds on the one hand, and any other fund (including any other fund sponsored or managed by Pembroke), on the other hand, Pembroke will apportion such investment opportunity to a Fund as co-investor, as determined by Pembroke in its sole discretion, and, except as provided in clauses (i) and (ii) above, neither Pembroke, nor any members, nor any of their respective members, partners, managers, directors, officers, shareholders, affiliates or employees, shall, to the fullest extent permitted by law, have any obligation to disclose or refer any opportunity to invest in an investment or other opportunity to and Adviser or any member thereof.

“Suitable” (or “Suitability”) means, with respect to any proposed investment for which Suitability is proposed to be determined with respect to any fund, that (i) such investment is consistent with the purposes of such fund, (ii) such fund has sufficient funds to consummate such investment, (iii) such investment is consistent with any written investment guidelines of such fund, (iv) such investment is within the period for the making of capital contributions by investors in such fund, (v) the term of such investment is consistent with the term of such fund, including any extensions

thereof, (vi) such investment is consistent with the anticipated current and prospective capital transactions with respect to the investments of such fund, (vii) such fund has access to financing sufficient to consummate such investment, (viii) such investment is advisable in light of the alternative investments under consideration by such fund, (ix) such investment's size is appropriate in light of the size of such fund's capitalization, (x) the cost of such investment is appropriate in light of the investment objectives of such fund, (xi) such investment is not inconsistent with the net worth and/or liquidity covenants to which such fund is subject, (xii) such investment is consistent with such fund's objectives with respect to "qualified investments" under the CRA or applicable CRA regulations, and (xiii) such investment is consistent with such other considerations as the manager determines to be reasonable.

Pembrook's only clients are the Funds, each of which is a domestic limited liability company pooled investment vehicle. The types of investors in the Pembrook Funds are generally pension funds, commercial banks, and high net worth individuals or family offices.

The types of investors in the REIT Fund are generally high net worth individuals, as well as family offices, trusts and endowments. Interests in the Funds may be purchased only by investors who qualify as a "Qualified Client" within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended or, subject to the discretion of the Managing Member, an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (or investors qualifying under equivalent standards under the laws of the jurisdictions of their residence). Except as otherwise consented to by the Manager, investors must meet the eligibility criteria set forth above and in the Funds' subscription documents. The Manager reserves the right to reject any subscription in its absolute, sole discretion. The minimum commitment for the REIT Fund is \$1 million, which PMH may reduce at its own discretion.

For Fund III and IV, any investor who qualifies as a "Qualified Client" within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended, an "accredited investor" as defined in Regulation 501(a) of Regulation D under the Securities Act subject to the discretion of the Manager, and a "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act may be considered a permissible investor. In general, natural persons must own at least \$5,000,000 in investments, and entities at least \$25,000,000 in investments, in each case as defined under the Investment Company Act. The minimum commitment for Fund III, Fund III Preferred, Fund IV and Fund IV Preferred is \$10 million, which PCIM III and PCIM IV may reduce at its own discretion. The Manager reserves the right to reject any subscription in its absolute, sole discretion.

It is Pembrook's policy not to disclose private information to any other party and to confirm that any personal information is adequately safeguarded. Individual investors will be given a Privacy Notice upon investing in the Funds, and material changes (if any) to Pembrook's privacy policy will be reflected in the Privacy Notice and will be distributed to investors on an annual basis, as necessary.

Pembrook seeks to leverage the core competence of an experienced management team and resources of Pembrook to implement, in the view of Pembrook, a differentiated business strategy across the structured real estate debt and equity markets in order to provide risk-adjusted returns. The Fund's principal investment strategy is to build upon the experience of Pembrook's management team in providing capital to both private and public developers and owners of real estate and investing in structured real estate debt and equity products based on rigorous credit analysis and in applying proven financing techniques to enhance the returns generated from its investments. The Funds believe that the management team has an established network in the real estate and financial communities. The Fund Managers believe that the successful execution of their business plans depends upon demonstrable expertise in three key areas: (i) real estate credit underwriting, (ii) product origination, and (iii) asset and liability structuring. In building the Funds' teams, Pembrook has selected professionals with industry-recognized abilities in these three key areas. In addition, Pembrook has selected professionals who have worked together or collaborated with their respective counterparties for a number of years.

An important facet of strategy to include CRA Investments is its natural intersection with certain tenets of positive social impact investing. Certain investments may promote affordable rental housing, be located in governmentally identified redevelopment areas, create new jobs or might be LEED certified properties. As such, it is expected that certain investments in the Funds will more likely than not be accepted by the OCC as "Public Purpose Investments."

Pembrook believes that the asset management process begins within the origination phase and is integral to the underwriting of a transaction. Asset management is involved in the final review and approval of all transactions. Upon closing of a loan and once all information is verified and placed on the loan monitoring system, transactions are reviewed quarterly for covenant compliance and cash flow performance.

Critical to the review are the following items:

- Financial statements to assess current and prospective debt service coverage
- A current market analysis
- A property level leasing and occupancy review
- A progress report detailing the property's progress in achieving its business plan and any resulting impact on the viability of the exit strategies
- A reserve report for monitoring interest shortfalls, tenant improvement allowances, and other capital expenditures

Pembrook leverages its in-house resources by using third party servicers to execute certain back office functions at the asset level. Such servicers are rated and follow Commercial Mortgage Securities Association ("CMSA") standards and include well-known market participants such as Key Bank and Bank of America. Furthermore, Pembrook believes in the ability to utilize technology to lever the expertise of the management team and has invested in proven and scalable technology.

Pembroke also monitors macro real estate and local market metrics through their various industry contacts to further verify quality of the portfolio. The management team takes a proactive approach to potential collateral issues by working directly with a borrower and any co-lenders in order to aggressively defend the interests of the Funds. The management team's experience as owners and developers of real estate in all product types allows for a high level of assistance in problem situations and, if ever necessary, a willingness to assume an owner's position.

Investing in securities involves risk of loss that clients should be prepared to bear.

Members holding interests are subject to investment and trading risks in general.

All investments risk the loss of capital. No guarantee or representation is made that the Funds' program will be successful, and investment results may vary substantially over time. The Funds' investment program will utilize investment techniques such as futures, options, derivatives, margin transactions and short sales, which practices can, in certain circumstances, maximize the adverse impact to which the Funds may be subject.

Interest rate fluctuations may cause losses.

The Funds will bear interest rate exposure related to their mortgage backed securities and variable-rate debt, as well as its interest rate swaps and caps that the Funds primarily intends to utilize for hedging purposes. Changes in interest rates will affect the Funds' net interest income, which is the difference between the interest income the Funds earns on its interest-earning investments and the interest expense the Funds incurs in financing these investments. Changes in the level of interest rates also may affect the Funds' ability to originate and acquire assets, the value of the Funds' assets and the Funds' ability to realize gains from the disposition of such assets.

, in a period of rising interest rates, the Fund's interest expense could increase, while the interest the Fund earns on its fixed-rate debt investments would not change. This would adversely affect the Fund's profitability. The Fund currently matches, and the Manager intends to continue to match, the terms of asset-level leverage with the terms of its debt investments so that the spread to the Fund remains constant or improves as interest rates fluctuate. In addition, any increase in interest rates will increase the aggregate distributions on the Preferred CRA Interests (which are based on a variable rates). Any increase in the amounts payable on Preferred CRA Interests will reduce the current yield on the Common Interests. In addition, any subsequent series of Preferred CRA Interests issued by the Fund that are entitled to distributions based on variable rates will be subject to these same risks.

, in a period of rising floating interest rates, the Funds' interest expense could increase, while the interest the Funds earns on their fixed-rate debt investments would not change. This

would adversely affect the Funds' profitability. In addition, any increase in interest rates will increase the distributions payable by Fund III and IV Preferred on its Preferred Interests (which are based on a variable rate which will decrease the distributions available to be made by Fund III and IV Preferred to Fund III and IV as holder of common limited liability company interests of Fund III and IV Preferred) and, therefore, will reduce the amount available to pay distributions to the Members.

The Funds' operating results will depend in large part on differences between the income from its assets, net of credit losses, and financing costs. Pembroke anticipates that, in most cases, the Funds will make loans carrying floating rate debt and will incur debt carrying floating rates of interest, thereby preserving and enhancing the positive spread between its investments and borrowings. Pembroke anticipates that, in most cases, for any period during which its assets are not match-funded, the income from such assets will respond more slowly to interest rate fluctuations than the cost of its borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may significantly influence the Fund's net income. Increases in these rates will tend to decrease the Funds' net income and market value of its assets. Interest rate fluctuations resulting in the Funds' interest expense exceeding interest income would result in operating losses for the Funds.

For

The Common Interests are subordinate to the Preferred CRA Interests.

The Preferred CRA Interests are senior to the Common Interests upon liquidation of the Fund. Accordingly, any losses suffered by PCI Fund would first be allocated to the Members holding the Common Interests. Only to the extent that there was insufficient capital contributed by Members investing in Common Interests to absorb such losses suffered by PCI Fund, will such losses erode the capital of the Members holding the Preferred CRA Interests. In addition, any subsequent series of Preferred CRA Interests issued by PCI Fund will be senior to the Common Interests upon liquidation of PCI Fund.

PCI Fund will attempt to minimize risk by engaging in hedging transactions.

PCI Fund may utilize financial instruments such as forward contracts, options, futures and swaps for hedging purposes or as part of its trading strategies. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase. PCI Fund's ability to invest in floating rate debt while incurring floating rate financing will substantially, or entirely, reduce the need to hedge against rate risk.

The success of PCI Fund's hedging transactions is subject to the movements in the direction of securities prices and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. PCI Fund may not seek to establish a perfect

correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent PCI Fund from achieving the intended hedge or expose PCI Fund to risk of loss.

PCI Fund's investments in subordinated mortgage backed securities will be subject to losses.

In general, losses on an asset securing a mortgage loan included in a securitization will be borne first by the equity holder of the property, then by a cash reserve fund or letter of credit provided by the borrower, if any, and then by the “first loss” subordinated security holder. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit and any classes of securities junior to those in which PCI Fund invests, PCI Fund may not be able to recover all of its investment in the securities it purchases. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral is available to satisfy interest and principal payments due on the related mortgage backed securities, the securities in which PCI Fund invests may effectively become the “first loss” position behind the more senior securities, which may result in significant losses to PCI Fund.

The prices of lower credit quality securities are generally less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic downturns or individual issuer developments. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality securities because the ability of obligors of mortgages underlying mortgage backed securities to make principal and interest payments or to refinance may be impaired. In such event, existing credit support in the securitization structure may be insufficient to protect PCI Fund against loss of PCI Fund's principal on these securities.

PCI Fund may invest in first mortgage loans, and will face special risks relating to commercial mortgage loans.

Commercial mortgage loans have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations.

Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to

permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower's equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property.

Commercial mortgage loans generally are non-recourse to borrowers. In the event of foreclosure on a Commercial mortgage loan, the value at that time of the collateral securing the mortgage loan may be less than the principal loan and the accrued but unpaid interest thereon.

Commercial mortgage loans are also subject to the effects of (i) the ability of tenants to make less payments, (ii) the ability of a property to attract and retain tenants, which may in turn be affected by local conditions such as oversupply of space or a reduction in demand for rental space in the area, the attractiveness of properties to tenants, competition from other available space and the ability of the owner to pay leasing commissions, provide adequate maintenance and insurance, pay tenant improvement costs and make other tenant concessions, (iii) interest rate levels and the availability of credit to refinance such loans at one prior to maturity, (iv) compliance with regulatory requirements and applicable laws, including environmental controls and regulations, and (v) increased operating costs, including energy costs and real estate taxes. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under the terms of leases with respect to commercial properties and such tenants may seek in protection of the bankruptcy laws which can result in termination of lease contracts. In addition, while commercial properties generally will carry comprehensive liability and casualty coverage, such coverage may not provide full protection for the value of the underlying property and may not protect against all casualty losses, including damage due to floods, earthquakes, hurricanes and terrorism.

If the properties securing the mortgage loans do not generate sufficient income to meet operating expenses, debt service, capital expenditure and tenant improvements, the obligors under the mortgage loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations.

Investments in military housing debt are subject to risks related to risks associated with military facilities and military bases.

PCI Fund may invest in debt securities, the proceeds of which will finance military housing meant to address both the poor condition of government-owned military housing and the shortage of appropriate housing for the military. However, at any time, the U.S. government may close all or any part of a particular military base or deploy or reassign a large portion of the armed forces stationed at a particular military base. An issuer of debt

securities financing such an affected military base will be at risk of defaulting on principal and/or interest payments due on such debt securities, and in no event will the U.S. government guarantee the payment of amounts due on such securities. Should PCI Fund invest in military housing debt related to a facility that suffers an occupancy shortage described above, PCI Fund may suffer the loss of much of its initial investment or anticipated investment return. In addition, the heightened security policies and regulations affecting military bases may affect the completion of projects financed through the issuance of military housing debt securities and may render military housing financed through debt securities unattractive to potential tenants, in each case decreasing the ability of an issuer to make payments on such debt securities.

PCI Fund's investments in unsecured REIT securities are subject to the risks of investing in subordinated real estate-related securities, which may result in losses to PCI Fund.

REITs generally are required to invest substantially in operating real estate or real estate-related assets and are subject to the inherent risks associated with real estate-related investments discussed in this Private Placement Memorandum. PCI Fund's investments in TruPS and other REIT securities are also subject to the risks described herein with respect to mortgage-backed securities and similar risks, including (i) risks of delinquency and foreclosure, and the resulting risks of loss, (ii) the dependence upon the successful operation of and net income from real property, (iii) risks generally incident to interests in real property, and (iv) risks that may be presented by the type and use of a particular property. Unsecured REIT securities are generally subordinated to other obligations of the issuer and are not secured by property underlying the investment.

Investments in REIT securities are also subject to risks of: (i) limited liquidity in the secondary trading market, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination to the prior claims of banks and other senior lenders to the issuer, (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the issuer to reinvest premature redemption proceeds in lower yielding assets, (v) the possibility that earnings of the REIT issuer may be insufficient to meet its debt service and dividend obligations and (vi) the declining creditworthiness and potential for insolvency of the issuer of such REIT securities during periods of rising interest rates and economic downturn. These risks may adversely affect the value of outstanding REIT securities and the ability of the issuers of such securities to repay principal and interest or make dividend payments.

PCI Fund may invest in synthetic securities, which bear unique contractual, enforcement and other risks.

PCI Fund may invest a limited portion of its assets (which, together with any assets located outside the United States (but not including synthetic securities utilized by PCI Fund for hedging purposes), from and after the first anniversary of the initial closing of commitments to purchase Preferred CRA Interests in PCI Fund, will not exceed 5% of PCI Fund's total net assets, as determined in good faith by PMH) in a wide range of synthetic securities that are structured to track the economic characteristics of direct ownership

interests in assets in which PCI Fund otherwise intends to invest. PCI Fund will not have a contractual relationship with the reference obligor on the reference obligation. PCI Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation and no rights of set-off against the reference obligor, nor will PCI Fund generally have any voting or other consensual rights of ownership with respect to the reference obligation. PCI Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the default or insolvency of the synthetic security counterparty, PCI Fund will not have any claim of title with respect to the reference obligation. Consequently, PCI Fund will be subject to the credit risk of the synthetic security counterparty as well as that of the reference obligor.

PCI Fund may invest in tender option bonds, or put options.

PCI Fund may invest in tender option bonds, or put options, and utilize such vehicles for financing purposes. If a tender option bond, or a put option, that is purchased by PCI Fund is not sold or expires when it has remaining value, or if the value of the individual or basket of securities underlying the options remains above the exercise price of the options at expiration, PCI Fund will lose its entire investment in the tender option bond. Also, when a tender option bond is purchased to hedge all or part of PCI Fund's debt investments, the price of the tender option bond may move more or less than the value of PCI Fund's debt investments.

PCI Fund may invest in total rate of return swaps and credit default swaps, which involve significant market and counterparty risks.

PCI Fund may invest in total rate of return swaps and utilize such vehicles for financing purposes. Total return swap transactions involve risks that are similar to those of interest rate swaps, and also involve additional risks. The total rate of return of a basket of securities on which the swap is based may exhibit substantial volatility and in any given period may be positive or negative. In the event the total rate of return is negative and PCI Fund is receiving the total rate of return of that basket of securities in its part of the swap agreement, PCI Fund would be required to make a payment to the counterparty in addition to that required on the other, generally floating rate, part of the swap agreement. Also, unusual market conditions affecting the basket of securities on which the swap is based may prevent the total rate of return from being calculated, in which case other provisions in the swap agreement may be invoked which could cause PCI Fund to lose some of the anticipated benefit from the swap, or otherwise reduce PCI Fund's return.

PCI Fund may enter into credit default swap contracts for investment and financing purposes. As the seller in a credit default swap contract, PCI Fund would be required to pay the par (or other agreed-upon) value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the debt obligation. In return, PCI Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the portfolio would keep the stream of payments and would have no

payment obligations. As the seller, PCI Fund would be subject to investment exposure on the notional amount of the swap. PCI Fund may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held in its portfolio, in which case PCI Fund would function as the counterparty referenced above. This would involve the risk that the investment may expire worthless and would only generate income in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial instability). It would also involve the credit risk that the seller may fail to satisfy its payment obligations to PCI Fund in the event of a default.

PCI Fund will lose money on its repurchase transactions if the counterparty to the transaction defaults on its obligation to resell the underlying security back to PCI Fund at the end of the transaction term, or if the value of the underlying security has declined as of the end of that term or if PCI Fund defaults on its obligations under the repurchase agreement.

When PCI Fund engages in a repurchase transaction, PCI Fund will generally sell securities to the transaction counterparty and receive cash from the counterparty. The counterparty is obligated to resell the securities back to PCI Fund at the end of the term of the transaction. Because the cash PCI Fund receives from the counterparty when it initially sells the securities to the counterparty is less than the value of those securities, if the counterparty defaulted on its obligation to resell the securities back to PCI Fund, PCI Fund would incur a loss on the transaction equal to the difference between the value of the securities and the amount PCI Fund received from the transaction counterparty. PCI Fund would also lose money on a repurchase transaction if the value of the underlying securities has declined as of the end of the transaction term, as PCI Fund would have to repurchase the securities for their initial value but would receive securities worth less than that amount. Any losses incurred on PCI Fund's repurchase transactions could adversely affect its earnings, and thus PCI Fund's returns to the Members. If PCI Fund defaults on one of its obligations under a repurchase transaction, the counterparty can terminate the transaction and cease entering into any other repurchase transactions with PCI Fund. In that case, PCI Fund would likely need to establish a replacement repurchase facility with another repurchase dealer in order to continue to leverage its portfolio and carry out its investment strategy. There is no assurance PCI Fund would be able to establish a suitable replacement facility.

PCI Fund intends to utilize leverage to enhance its returns.

PCI Fund intends to utilize leverage to increase potential returns to its Members and to finance its portfolio of investments. Without regard to any leverage included in any collateralized debt obligation or other long-term financing sponsored by PCI Fund, PCI Fund intends to target debt-to-equity ratios of less than 1:1, but may utilize up to 5:1, depending on the characteristics of its portfolio, subject to certain limitations on leverage. Loans generally may be obtained from securities brokers and dealers or from other financial institutions, and will be secured by securities or other assets of PCI Fund pledged to such institutions. Borrowing will tend to magnify the profits or losses of PCI Fund. The level of interest rates at which PCI Fund can borrow will affect the operating results of PCI

Fund, and the terms of any refinancing will not be as favorable as the terms of the debt being refinanced. If securities pledged to brokers to secure PCI Fund's margin accounts decline in value, PCI Fund could be subject to a "margin call," pursuant to which PCI Fund must either deposit additional PCI Funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of PCI Fund's assets, PCI Fund might not be able to liquidate assets quickly enough to pay off its margin debt, and cash flow from operations may not be sufficient to make required payments of principal and interest, resulting in the loss of some or all of PCI Fund's assets to foreclosure or sale in order to satisfy debt obligations. PCI Fund may be required to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing PCI Funds available for operations and capital expenditures, future business opportunities or other purposes. The use of leverage could adversely affect PCI Fund's ability to make distributions to Members and the Net Asset Value of PCI Fund

PCI Fund may not be able to access financing sources on favorable terms, or at all, which could adversely affect PCI Fund's ability to execute PCI Fund's business plan.

PCI Fund intends to finance its assets over the long term through a variety of means, including repurchase agreements, credit facilities, and other structured financings. PCI Fund's ability to execute this strategy will depend on various conditions in the markets which are beyond its control, including lack of liquidity and greater credit spreads. PCI Fund cannot assure you that these markets will remain an efficient source of long-term financing for its assets. If PCI Fund's strategy is not viable, PCI Fund will have to find alternative forms of long-term financing for its assets, as secured revolving credit facilities and repurchase facilities may not accommodate long-term financing. This could subject PCI Fund to more recourse indebtedness and the risk that debt service on less efficient forms of financing would require a larger portion of PCI Fund's cash flows, thereby reducing cash available for distribution to the Members, PCI Funds available for operations as well as for future business opportunities.

If credit spreads widen before PCI Fund obtains long-term financing for its net assets, the value of its net assets may suffer.

PCI Fund intends to price its net assets based on its assumptions about future levels of credit spreads for longer term fixed rate financing of those assets. PCI Fund expects to obtain longer term financing for these assets at a spread over a certain benchmark, such as the yield on United States Treasury bonds, swaps, or LIBOR. If the spread that investors will pay over the benchmark widens and the rates PCI Fund charges on its loans or the income PCI Fund generates from its other assets are not increased accordingly, PCI Fund may experience a material adverse effect on its income and, therefore, experience a reduction in the economic value of the assets that PCI Fund has originated or acquired.

Preferred equity investments involve a greater risk of loss than traditional debt financing and specific risks relating to particular issuers.

PCI Fund may invest in preferred securities (other than TruPS, but including those of REITs and real estate operating companies) depending upon PCI Fund's ability to finance such assets in accordance with its financing strategy. Preferred equity investments involve a higher degree of risk than traditional debt financing due to a variety of factors, including that such investments are subordinate to debt and are not secured by property underlying the investment. Furthermore, should an issuer of preferred equity default on the PCI Fund's investment, PCI Fund would only be able to proceed against the issuer, and not the property owned by the issuer and underlying PCI Fund's investment. In most cases, a preferred equity holder has no recourse against an issuer for a failure to pay stated dividends; rather, unpaid dividends typically accrue and the preferred shareholder maintains a liquidation preference in the event of a liquidation of the issuer of the preferred securities. There can be no assurance that an issuer would have sufficient assets to satisfy any liquidation preference to which PCI Fund may be entitled. As a result, PCI Fund may not recover some or all of their investments in preferred equity securities.

The Funds' real estate investments are subject to risks particular to real property.

The Funds will own assets secured by real estate and may own real estate directly. Real estate will be subject to various risks, including: (i) acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of terrorist attacks, such as those that occurred on September 11, 2001; (ii) adverse changes in national and local economic and market conditions; (iii) changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances; (iv) costs of remediation and liabilities associated with environmental conditions such as indoor mold; and (v) the potential for uninsured or under insured property losses. If any of these or similar events occurs, it may reduce the Funds' return from an affected property or investment and reduce or eliminate the Funds' ability to make distributions to Members.

The Funds may investment in mezzanine loans which involve greater risks of loss than senior loans secured by income producing properties.

The Funds may invest in mezzanine loans that take the form of subordinated loans secured by second mortgages on the underlying property or loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests of the entity that owns the interest in the entity owning the property. These types of investments involve a higher degree of risk than long-term senior mortgage lending secured by income producing real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, a Fund may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the Funds' mezzanine loans. If a borrower defaults on the Funds' mezzanine loans or debt senior to the Funds' loans, or in the event of a borrower bankruptcy, the Funds' mezzanine loans will be satisfied only after the senior debt. As a result, a Fund may not

recover some or all of its investment. In addition, mezzanine loans may have higher loan to value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal.

Bridge loans will involve a greater risk of loss than traditional insured and investment grade mortgage loans.

The Funds may provide bridge loans secured by first lien mortgages on a property to borrowers who are typically seeking short-term capital to be used in an acquisition and renovation of property. The borrower has usually identified an undervalued asset that has been under-managed and/or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management and/or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the bridge loan, and the Funds bears the risk that the Funds may not recover some or all of the Fund's investment.

In addition, borrowers usually use the proceeds of a conventional mortgage to repay a bridge loan. Bridge loans therefore are subject to risks of a borrower's inability to obtain permanent financing to repay the bridge loan. Bridge loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under bridge loans held by the Funds, the Funds bears the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount of the bridge loan. To the extent the Funds suffers such losses with respect to the Funds' investments in bridge loans, the value of the Funds may be adversely affected.

The mortgage loans the Fund may invest in and the mortgage loans underlying the mortgage backed securities the Fund may invest in will be subject to delinquency, foreclosure and loss, which could result in losses to the Fund.

Commercial mortgage loans are secured by multifamily or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income-producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies,

including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

In the event of any default under a mortgage loan held directly by the Funds, the Funds will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on the Funds' cash flow from operations and limit amounts available for distribution to the Members. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a mortgage loan can be an expensive and lengthy process which could have a substantial negative effect on the Funds' anticipated return on the foreclosed mortgage loan.

Commercial mortgage backed securities evidence interests in or are secured by a single commercial mortgage loan or a pool of commercial mortgage loans. Accordingly, the mortgage backed securities the Funds invest in are subject to all of the risks of the underlying mortgage loans.

Prepayment rates can increase, adversely affecting yields on the Funds' investments.

The value of the Funds' assets may be affected by prepayment rates on mortgage loans. Prepayment rates on mortgage loans are influenced by changes in current interest rates and a variety of economic, geographic and other factors beyond the Fund's control, and consequently, such prepayment rates cannot be predicted with certainty. In periods of declining mortgage interest rates, prepayments on mortgage loans generally increase. If general interest rates decline as well, the proceeds of such prepayments received during such periods are likely to be reinvested by the Fund in assets yielding less than the yields on the assets that were prepaid. In addition, the market value of the mortgage assets may, because of the risk of prepayment, benefit less than other fixed-income securities from declining interest rates. Conversely, in periods of rising interest rates, prepayments on mortgage loans generally decrease, in which case the Fund would not have the prepayment proceeds available to invest in assets with higher yields. Under certain interest rate and prepayment scenarios the Fund may fail to recoup fully its cost of acquisition of certain investments.

The Funds may be adversely affected by unfavorable economic changes in geographic areas where the properties underlying its investments may be concentrated.

Adverse conditions in the areas where the properties underlying the Funds' investments may be located (including business layoffs or downsizing, industry slowdowns, changing demographics and other factors) and local real estate conditions (such as oversupply of, or reduced demand for, office and industrial properties) may have an adverse effect on the value of the Funds' future properties. A material decline in the demand or the ability of

tenants to pay rent for office and industrial space in these geographic areas may result in a material decline in the Funds' cash available for distribution to Members.

A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could harm the Funds' operations.

Pembroke believes the risks associated with its business will be more acute during periods of economic slowdown or recession if these periods are accompanied by declining real estate values. Declining real estate values will likely reduce the Funds' level of new mortgage loan originations, because borrowers often use increases in the value of their existing properties to support the purchase or investment in additional properties. Further, declining real estate values significantly increase the likelihood that the Funds will incur losses on its loans in the event of default. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both the Funds' net interest income from loans in its portfolio as well as Pembroke's ability to originate, sell and securitize loans, which would significantly harm its revenues, results of operations, financial condition, business prospects and the Funds' ability to make distributions to its Members.

The Funds expects many of their investments to be illiquid and the Funds may not be able to vary the Funds' portfolios in response to changes in economic and other conditions.

The real estate securities that the Funds purchase in connection with privately negotiated transactions will not be registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. Certain mortgage backed securities and REIT securities and all of the B-Notes that the Funds may purchase will be traded in private, unregistered transactions and will therefore be subject to restrictions on resale or otherwise have no established trading market. As a result, the Funds' ability to vary the Funds' portfolios in response to changes in economic and other conditions may be relatively limited. The Funds may not be readily able to dispose of non-publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. The mezzanine and bridge loans the Funds will originate will be particularly illiquid investments due to their short life, their unsuitability for securitization and the greater difficulty of recoupment in the event of a borrower's default. In addition, an exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. Illiquid investments may require a significant amount of time from the date of initial investment before disposition. Sales of such illiquid investments may not be possible and, if possible, may be at substantial discounts from cost. Furthermore, redemptions of Common Interests are subject to significant restrictions and limitations.

The Funds depend upon the current interpretation of the CRA and other banking regulations and the applicable regulations thereunder.

Changes in the laws and regulations related to the CRA or other banking laws and regulations, and the interpretation of such laws and regulations, could impede the Funds' ability to realize its investment objectives. CRA regulations heavily influence the ability of financial institutions to originate investments qualifying under the CRA. Changes to the CRA or its related regulations, or to other banking laws and regulations affecting the Funds' bank investors, could interfere with the Funds' ability to meet their investment objectives.

The Funds may target investments with unfavorable or below-market yields or returns in order to make CRA Investments available to Members holding its Preferred CRA Interests.

Each investment by the Funds is subject to an identical due diligence process. In order to make CRA Consideration available to Members holding its Preferred CRA Interests, the Funds will seek investments that they believe are more likely than not to receive positive consideration under the CRA. In doing so, the Funds may decide that it is in the best interest of the Funds and the Members holding Preferred CRA Interests to pay premiums for such CRA Investments. Although the Funds intends to target the most attractive available CRA Investments, it is possible that such investments may result in reduced yields or returns to the Funds, or yields that are not as favorable as comparable investments that are not CRA-eligible.

The Funds may be affected by natural and human disruptions.

The value of Pembroke's assets could be adversely affected in the event of a natural disaster, severe weather events, climate change, earthquakes, fires, war, terrorism, health pandemics and other public health crises.

Pembroke and the Funds have cybersecurity risk.

Pembroke, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of Pembroke and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Pembroke, the Funds' service providers, counterparties or data within these systems. Third parties may attempt to fraudulently induce employees, customers, third-party service providers or other users of Pembroke's systems to disclose sensitive information in order to gain access to Pembroke's data or that of the Funds' investors. A successful penetration or circumvention of the security of Pembroke's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, Pembroke or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Pembrook and the Funds could have Key Person Risk.

The value of Pembrook's assets could be materially adversely affected in the event that one or more Key Persons (as defined in the applicable LLC Agreements) leaves Pembrook.

Neither Pembrook, nor any of its partners, officers or principals have been involved in any investment-related criminal or civil actions in a domestic, foreign or military court.

Neither Pembrook, nor any of its partners, officers or principals have been involved in any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither Pembrook, nor any of its partners, officers or principals have been involved in any self-regulatory organization proceedings.

Neither Pembroke nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Pembroke has one employee who is a registered representative of a broker-dealer.

Neither Pembroke nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Pembroke and related entities invest, on behalf of their clients, in and originates commercial real estate debt to finance all parts of a capital structure from first mortgages, mezzanine, bridge loans and commercial mortgage-backed securities, as well as preferred equity and loans for real estate operating companies.

Side Letters. As mentioned above in Item 6, Pembroke has the discretion to enter into side letters with prospective or existing investors or limited partners. Side letters have been or will be entered into with certain investors in the Funds to achieve investment objectives consistent with the Funds' investment strategy and with such investors' desire to invest in assets that will, more likely than not, qualify for CRA Consideration in specified geographic areas.

An important part of the Funds' strategy is to include in their investments certain real estate debt and, to a lesser extent, preferred equity associated with underserved property types and markets that benefit from regulatory advantages, such as low and moderate income housing and commercial, retail and other property types in low and moderate income areas. This may present certain regulatory advantages regarding interests in the Funds that are subject to the . Property types are primarily multifamily, and a portion of these investments could bring new capital to community development and generate positive consideration (" ") under the CRA investment test (" "). The Adviser may enter into side letters which delineate specific investment qualifications based on CRA Investments or specific investment criteria (self-delineated assessment areas) or capital earmarks for specific CRA Investments. The presence of such side letters and the investment qualifications and investment criteria they contain may influence the Adviser to consider investments that may not have otherwise been considered for the portfolio. Side letters may also contain most favored nation provisions under which certain members of the Funds are guaranteed the same rights as members making capital commitments equal to or less than the investor entering into the side letter.

In the event that (i) an opportunity to invest in any individual investment is Suitable (as defined below) for more than one fund managed by Pembroke or its affiliates, Pembroke will offer such investment opportunity to each such fund, on a pari passu basis, or (ii) an opportunity to invest in any individual investment is suitable for the Funds on the one hand, and any other fund (including any other fund sponsored or managed by Pembroke or its affiliates), on the other hand, Pembroke will apportion such investment opportunity to the

a Fund and such other fund as co-investors, as determined by Pembroke in its sole discretion.

“Suitable” (or “Suitability”) means, with respect to any proposed investment for which Suitability is proposed to be determined with respect to any fund, that (i) such investment is consistent with the purposes of such fund, (ii) such fund has sufficient funds to consummate such investment, (iii) such investment is consistent with any written investment guidelines of such fund, (iv) such investment is within the period for the making of capital contributions by investors in such fund, (v) the term of such investment is consistent with the term of such fund, including any extensions thereof, (vi) such investment is consistent with the anticipated current and prospective capital transactions with respect to the investments of such fund, (vii) such fund has access to financing sufficient to consummate such investment, (viii) such investment is advisable in light of the alternative investments under consideration by such fund, (ix) such investment’s size is appropriate in light of the size of such fund’s capitalization, (x) the cost of such investment is appropriate in light of the investment objectives of such fund, (xi) such investment is not inconsistent with the net worth and/or liquidity covenants to which such fund is subject, (xii) such investment is consistent with such fund’s objectives with respect to “qualified investments” under the CRA or applicable CRA regulations, and (xiii) such investment is consistent with such other considerations as the manager determines to be reasonable.

PMH, PCIM III and PCIM IV (each, a “ ” and, collectively, “ ”) serve as manager, managing member or investment manager with respect to one or more Pembroke clients. While PCM and the Related Vehicle/Entity have been organized as separate legal entities, they collectively conduct a single investment advisory business. Accordingly, each Related Vehicle/Entity relies and/or will rely on PCM’s investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act. To rely on PCM’s registration, (i) the Relying Adviser, its employees and persons acting on its behalf will be “persons associated with” and “supervised persons” (as each term is defined in the Advisers Act) of PCM, (ii) any investment advisory services will be subject to PCM’s supervision and control, (iii) any investment advisory functions will be subject to the Advisers Act and the rules and regulations thereunder, and (iv) the activities and books and records of the Relying Adviser will be subject to inspection and examination by the SEC. Each Relying Adviser will be subject to PCM’s compliance policies and procedures and, except as the context otherwise requires, any reference in this brochure to Pembroke and/or PCM includes both PCM and the Relying Advisers. PCM has disclosed in the Miscellaneous Section of Schedule D of Part 1A of its Form ADV that PCM and each of the Relying Advisers are together filing a single Form ADV in reliance upon guidance expressed in a SEC no-action letter.

None of the Related Vehicles/Entities recommends or selects other investment advisers for their clients.

Pembrook has adopted a code of ethics as required by Rule 204A-1 under the Investment Advisers Act. The code of ethics requires employees to conduct business with the highest ethical standards and always put the client interests above the interests of themselves and restricts them from purchasing securities in which their clients may invest. It requires employees to report any violations immediately to the Chief Compliance Officer. It also addresses:

- Employee personal trading including:
 - Reporting personal securities transactions
 - Preclearance of certain transactions
 - Annual reporting of securities holdings
- Limits and reporting requirements on gifts and entertainment
- Limits and reporting requirements for political contributions
- Employees are required to acknowledge receipt of the code
- Electronic Communication and Social Media Policy

A copy of the code of ethics is available upon request.

Pembrook has adopted other policies to protect the interest of its clients and prevent violations of applicable laws as required by Rule 206(4)-7 under the Investment Advisers Act (“ ”). In accordance with Rule 206(4)-7, Pembrook reviews these policies and procedures no less frequently than annually to ascertain their effectiveness and determine whether they are being adequately followed.

Compensation of the investment professionals for the Adviser generally consists of salary, discretionary bonus and they may, but do not currently, receive a percentage of the incentive fee earned by the Adviser.

Mariner Group Capital Markets (“MGCM”), a FINRA Registered Broker Dealer and one of its registered representatives, who is an employee of Pembrook Capital Management, LLC have an indirect financial interest in the distribution of the securities offered for sale by the Fund. Pembrook has also retained, or may retain, the services of non-affiliated third-party placement agents that are financially incentivized to make investment recommendations. Notwithstanding the potential conflicts of interest referenced above, please note that all remuneration paid to MGCM or any other third-party placement agent shall be paid by Pembrook and NOT Fund investors.

None of the Adviser, Pembrook nor any such related persons invest in the same securities that the Adviser recommends to clients. None of the Adviser, Pembrook nor any such related persons buy or sell the securities for their own that are recommended to, or bought/sold on behalf of clients.

This policy is not related to the selection of real estate brokers from whom Pembroke may receive opportunities to invest in real estate loans, as such transactions are concluded directly with the respective borrowers and are not subject to such brokers' ability to process such transactions or dependent on such brokers' financial strength. However, it is Pembroke's intention at all times to work with proven and reputable real estate brokers. The Adviser does not currently engage in trading transactions on behalf of the Funds or utilize the services of broker-dealers for transaction related services. In the event the Adviser were to select or recommend broker-dealers for Funds' transactions, would seek best execution of transactions and allocate transactions to broker-dealers for execution on markets/ exchanges and at prices and commission rates that in the Adviser's good faith judgment are in the best interest of the Funds. The Adviser does not enter into any agreement with any broker/dealer to obtain any research from third party providers or from the broker/dealer in exchange for agreeing to direct a certain level of commissions to that broker or dealer.

The Adviser does not consider any client referrals when selecting broker/dealers.

Webster Bank NA, a member of Fund III and Fund IV, provides custodial services to the Funds.

The Adviser can aggregate the purchase or sale of securities for client accounts via co-investment as discussed above in Item 6.

Senior management of Pembroke engages in ongoing surveillance of the holdings and investments made by the Funds. Management receives weekly and quarterly reports to assist them in the management of the Funds' assets which includes a summary of all investments.

Management also performs ad hoc testing to confirm that the Funds' investments are within the parameters set by the Funds.

The Adviser provides reports to Funds' investors quarterly and may provide interim reports as well.

Pembrook does not receive an economic benefit from any non-client source with respect to providing investment advice or other advisory services to its clients.

Pembrook has also retained, or may retain, the services of non-affiliated third-party placement agents that are financially incentivized to make investment recommendations/endorsements on behalf of Pembrook. Notwithstanding the potential conflicts of interest referenced above, please note that all remuneration paid to MGCM or any other third-party placement agent shall be paid by Pembrook and NOT Fund investors.

The Adviser is deemed to have a form of custody of the Funds' assets due to the ability to deduct fees from the Funds, even though indirectly through the administrator.

Unless otherwise approved by Pembroke's CEO or his designee, Funds' assets (funds or securities) will be custodied with qualified custodians (collectively, the "Custodians"). The Custodians will hold the assets either (i) in a separate account under the client's name; or (ii) in an account containing only the client's assets under Pembroke's name, as agent or trustee for the client.

Pembroke has consulted with counsel and concluded that loan agreements and promissory notes for the benefit of Pembroke's clients are not required to be custodied with the Custodians. It is Pembroke's policy to hold such agreements and notes in a secured, fire-proof location within Pembroke's offices. Certain of these agreements may be used as collateral to finance certain investments made by the Adviser on behalf of the Funds. In such event, the lenders, which are U.S. commercial banks, normally will require that they physically hold the loan agreements and promissory notes until such time as the financing is repaid in full.

As required by the Custody Rule, since the Adviser's clients are solely private funds, an annual audit of the Funds is conducted by an independent public accountant that is subject to inspection by the Public Company Accounting Oversight Board. Additionally, the Funds' financial statements will be prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), and distributed within 120 days of the fiscal year-end. These reports will be in written form and clients should carefully review those statements.

The Adviser has full discretion over the Funds' transactions, and client directed brokerage is not permitted.

The Adviser does not invest in equity securities that regularly vote shares. However, Pembroke has adopted a proxy policy should a proxy vote arise or to handle any class actions. Should any matters arise that require a vote of the holders of any securities held by the Funds, senior management of Pembroke would review the issue or issues to be voted on and cast their votes in the best economic interest of the Funds. A copy of the proxy voting policy and a record of all votes cast by each Adviser on behalf of the Funds, may be obtained by mailing the request to the attention of Stuart Boesky at Pembroke Capital Management LLC, 485 Madison Avenue, 22nd Floor, NY, NY 10022 or emailing the request to sboesky@pembrookgroup.com.

Not applicable.

Item 1



Stuart Boesky
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April 27, 2023

This brochure supplement provides information about Stuart Boesky that supplements Pembroke Capital Management LLC's brochure. You should have received a copy of this brochure. Please contact Stuart Boesky if you did not receive Pembroke Capital Management LLC's brochure. Additionally, you may contact Mr. Boesky if you have any questions about the contents of this supplement.

Stuart Boesky, born 1956, has served as the Chief Executive Officer of Pembroke Capital Management, LLC (“ ”) since founding it in 2006. Mr. Boesky has over 40 years of commercial real estate experience and is the Chief Executive Officer of Pembroke, which he founded in 2006. Prior to founding Pembroke, Mr. Boesky was a Senior Managing Director and principal of Related Capital Company, Executive Vice President of The Related Companies, Inc. and the Chief Executive Officer of CharterMac (“CHC”), one of the nation’s leading commercial real estate financial services firms. Organically and through acquisitions, Mr. Boesky engineered CHC’s growth and diversification from a portfolio investor in multifamily housing bonds to a full-service real estate financial services firm. From July 1999 to November 2005, Mr. Boesky also served as the Chief Executive Officer of AMAC. From 1984 to 2003, Mr. Boesky was a senior managing director and principal of Related Capital Company. Mr. Boesky has also practiced real estate and tax law with the Boston law firm Kaye Fialkow Richmond and Rothstein, and the New York law firm Shipley & Rothstein. Prior to that, Mr. Boesky was a real estate consultant at the international accounting firm of Laventhol & Horwath. Mr. Boesky earned a Bachelor of Arts degree and graduated with high honors in 1978 from Michigan State University, and received a Juris Doctor degree in 1982 from Wayne State School of Law. He earned a Master of Laws degree in Taxation in 1983 from Boston University School of Law. Mr. Boesky is also a founding member of the Leadership Forum on Pension Fund and Endowment Investments in Domestic Emerging Markets at the Joint Center for Housing Studies of Harvard University. Mr. Boesky is a member of the President’s Council of the Real Estate Round Table. The President’s Council is a by invitation-only group of individuals from leading real estate ownership, financial, management and advisory entities.

Mr. Boesky has not been the subject of any legal or disciplinary matters.

Mr. Boesky has no other business activities to disclose.

Mr. Boesky may be paid advisory fees and/or similar compensation in connection with management of the fund, loan origination services performed relating to loans originated for the funds managed by PCM including sourcing, due diligence and the negotiation and documentation of loan transactions.

As the CEO, Mr. Boesky is not supervised by any person but is subject to all of the policies and procedures adopted by PCM. PCM’s policies and procedures are designed to ensure compliance with applicable laws; regulations; client guidelines; and to protect client assets and proprietary

information. PCM's investments are subject to review by Mr. Boesky. Maxwell Baker, in his capacity as the CCO, monitors Mr. Boesky's activities to ensure compliance with PCM's compliance policies and procedures.



Terence F. Baydala
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March 27, 2024

This brochure supplement provides information about Terence Baydala that supplements Pembroke Capital Management LLC's brochure. You should have received a copy of this brochure. Please contact Stuart Boesky if you did not receive Pembroke Capital Management LLC's brochure. Additionally, you may contact Mr. Boesky if you have any questions about the contents of this supplement.

Mr. Baydala, born 1958, serves as Head of Capital Markets and also serves as a Senior Origination Officer. He has been with Pembroke since 2015. Mr. Baydala has over 40 years of experience in commercial real estate industries. Prior to joining PCM, from 2012 through 2014, Mr. Baydala was an Executive Vice President with Meridian Capital Group, LLC (“ ”) where he launched an institutional advisory platform principally focused on buy and sell-side syndication advisory related to large commercial mortgage loans. Prior to joining MCG, from 2006 through 2011, Mr. Baydala was a Senior Vice President, Commercial Real Estate Banking, at Anglo Irish Bank where he established and managed Anglo’s North American Syndication Desk focusing on A-note, B-Note and mezzanine positions for domestic and international capital providers. From 1996 through 2006, Mr. Baydala was a Senior Vice President, Senior Investment Officer with Arbor Realty Trust, Inc. / Arbor Commercial Mortgage, LLC where he originated, structured and closed high yield mezzanine, preferred equity and senior debt transactions with nationally-based developers and owners. During Mr. Baydala’s tenure at Arbor, during 2003-2006 he also served as Chief Underwriter for Arbor’s Fannie Mae Delegated Underwriter and Servicer platform and was Chair of the firm’s Agency Credit Committee. Mr. Baydala earned a B.B.A. in Finance and Accounting from St. Bonaventure University in 1980.

Mr. Baydala has not been the subject of any legal or disciplinary matters.

Mr. Baydala has no other business activities to disclose.

Mr. Baydala has no additional compensation to disclose.

Mr. Baydala is supervised by Stuart Boesky, the Chief Executive Officer, who can be reached at 212-906-8680.

Mr. Baydala is subject to PCM’s policies and procedures. PCM has adopted policies and procedures which are designed to ensure compliance with applicable laws; regulations; client guidelines; and to protect client assets and proprietary information. PCM’s investments are subject to review by the CEO, Stuart Boesky. Additionally, Maxwell Baker, in his capacity as the CCO, monitors Mr. Baydala’s activities to ensure compliance with PCM’s compliance policies and procedures.

Item 1



Rueven Michelson
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March 27, 2024

This brochure supplement provides information about Rueven Michelson that supplements Pembroke Capital Management LLC's brochure. You should have received a copy of this brochure. Please contact Stuart Boesky if you did not receive Pembroke Capital Management LLC's brochure. Additionally, you may contact Mr. Boesky if you have any questions about the contents of this supplement.

Rueven Michelson, born 1957, has been a Director and Underwriter since 2014, and since 2018 serves as Head of Asset Management. Mr. Michelson has over 30 years of experience in the commercial real estate industry, including debt and equity transactions, acquisitions, loan underwriting, and valuation, lost severity, asset management, and development. Prior to joining Pembroke Capital, Mr. Michelson was a Director at True North Management Group from February 2010 to March 2014, where he was involved in investing in distressed debt and equity throughout the U.S. with concentrations in office, multi-family and light industrial properties. Prior to True North, Mr. Michelson was with GSC Group from September 2006 to September 2007, a private equity firm, and Bank of America Merrill Lynch (Global Principal Investment Fund) from February 2002 through September 2006, in high yield mezzanine underwriting and valuation of all types of real estate throughout the U.S. and Mexico. Prior to Bank of America Merrill Lynch Mr. Michelson was with CB Richard Ellis, Inc. from December 1996 to February 2002 as a MAI appraiser in the valuation department and as part of the New York Capital Markets Team with experience in property sales, corporate consulting, and real estate valuation. Mr. Michelson earned a B.S. in 1981 in accounting and finance from Syracuse University.

Mr. Michelson has not been the subject of any legal or disciplinary matters.

Mr. Michelson has no other business activities to disclose.

Mr. Michelson has no additional compensation to disclose.

Mr. Michelson is supervised by Stuart Boesky, the Chief Executive Officer, who can be reached at 212-906-8680.

Mr. Michelson is subject to PCM's policies and procedures. PCM has adopted policies and procedures which are designed to ensure compliance with applicable laws; regulations; client guidelines; and to protect client assets and proprietary information. PCM's investments are subject to review by the CEO, Stuart Boesky. Additionally, Maxwell Baker, in his capacity as the CCO, monitors Mr. Michelson's activities to ensure compliance with PCM's compliance policies and procedures.

Item 1



John K. Malysa
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March 27, 2024

This brochure supplement provides information about John Malysa that supplements Pembrook Capital Management LLC's brochure. You should have received a copy of this brochure. Please contact Stuart Boesky if you did not receive Pembrook Capital Management LLC's brochure. Additionally, you may contact Mr. Boesky if you have any questions about the contents of this supplement.

John K. Malysa, born 1964, joined PCM in June of 2022 as Managing Director in the areas of underwriting and asset management for PCM's funds. He replaces Paul Mullaney as a member of PCM's investment committee. Mr. Malysa has over 25 years of commercial real estate credit experience. Prior to joining PCM in June 2022, Mr. Malysa served as Managing Director/Chief Credit Officer for Macquarie Infrastructure and Real Assets Private Credit Real Estate Debt Investment ("MRED") platform, where he also sat on MRED's investment committee. In this role, he established and built from the ground up the MRED Private Credit Real Estate Debt platform, creating policies and procedures with respect to originating, underwriting, lending and asset managing floating rate, and value add bridge loans, managing credit risk of investments, investing and pricing capital, and originating, underwriting and asset managing all loans. Prior to his role at Macquarie, Mr. Malysa was at CIBC World Markets, where he was a Managing Director and Head of CMBS Securitization and Distribution, member of the US Real Estate Finance Management Committee, and Chair of the CMBS Credit Committee. Previously, Mr. Malysa held senior roles at CWC Capital Investments, Deutsche Bank Securities Inc. and FitchRatings. Mr. Malysa earned a B.A. in Economics from Columbia College, Columbia University and an M.B.A. from the Graduate School of Business, Columbia University.

Mr. Malysa has not been the subject of any legal or disciplinary matters.

Mr. Malysa has no other business activities to disclose.

Mr. Malysa has no additional compensation to disclose.

Mr. Malysa is supervised by Stuart Boesky, the Chief Executive Officer, who can be reached at 212-906-8680.

Mr. Malysa is subject to PCM's policies and procedures. PCM has adopted policies and procedures which are designed to ensure compliance with applicable laws; regulations; client guidelines; and to protect client assets and proprietary information. PCM's investments are subject to review by the CEO, Stuart Boesky. Maxwell Baker, in his capacity as the CCO, monitors Mr. Malysa's activities to ensure compliance with PCM's compliance policies and procedures.