

Item 1 Cover Page

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of GreenLake Asset Management LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact us at 626-529-1080 or email at compliance@greenlakefund.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about GreenLake Asset Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

While GreenLake Asset Management LLC is a SEC-registered investment adviser, such registration does not imply a requisite level of skill or training.

Item 2 Material Changes

The date of the last annual update to the Firm's brochure was March 29, 2023. A summary of certain changes that have been made to the Firm's brochure since the date of the Firm's last annual update is set forth below:

- Updates were made to reflect the Firm's assets under management as of December 31, 2023. See Item 4.
- Various updates were made regarding the fees (including management fees) and other compensation (including performance-based compensation) that the Firm earns, or has the ability to earn, and the expenses that our clients bear. See Item 5.
- Updates were made to disclose that the Firm is entitled to receive performance-based compensation. See Item 6.
- Updates were made to disclose that the Firm provides investment advice to individual retirement account investors. See Item 7.
- Various updates were made with respect to the Firm's investment strategies and risk factor disclosures, including with respect to General Economic and Market Conditions, Risks of Government Action, Operating History is No Indication of Future Results, Inflation Risks, Fluctuation in Interest Rates, Force Majeure Risks, Regulatory Developments, Risks Stemming from the U.S. Administration, Regulatory and Legal Matters, Absence of Regulatory Oversight Over the Company, Taxation of Funds, Loan Defaults, General Risks of Lending, Interest Rate Risks and Federal Reserve Policies, Risks of Investment in Real Estate-Related Investments, Valuation Risks, Competitive Nature of Each Fund's Business, Identification of Investment Opportunities, Due Diligence, Risks of Ownership of Real Property, Environmental Liabilities, High Cost Mortgages / "Predatory" Lending, Risks of Litigation, Tax Risks Associated with the Structure of the Funds, Potential for Fraud, and No Assurances of Profit or Distributions. See Item 8.

The information set forth in this brochure is qualified in its entirety by the applicable governing, and/or offering documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing and/or offering documents, those documents will control.

All investors and clients are encouraged to carefully review this brochure in its entirety.

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Item 4 Advisory Business

A. General Description of the Firm

This Brochure relates to GreenLake Asset Management LLC (the “Firm”). GreenLake Asset Management is a real estate investment advisory and management business with its principal place of business located in California. The Firm began conducting business in April 2018; prior to 2018, the Firm conducted business as GreenLake Investment Management LLC. The Firm is wholly owned by Grun Assets LLC.

B. Description of the Firm’s Services

The Firm offers real estate investment advisory and management services to its clients. The Firm also originates, underwrites, services, and asset manages loans to borrowers in addition to managing investments. For purposes of this Brochure all references to “client” shall be a reference to the pooled investment vehicles (“Funds”) for which the Firm provides investment advisory services and shall not include the underlying individual investors (“Investors”) in a Fund unless otherwise specified.

C. Availability of Customized Services for Individual Clients

Advisory services are tailored to achieve the Funds’ respective investment objectives, as set forth in the organizational, corporate and/or offering documents and agreement(s) governing the Funds and the relationship between the Firm and the Funds (the “Fund Governing Documents”). Advisory services are not tailored to the individual needs of Investors in the Funds. Generally, the Firm has the authority to select Fund investments and manage strategies without consulting Investors, in accordance with the investment objectives and guidelines set forth in the applicable Fund Governing Documents.

D. Wrap Fee Programs

The Firm does not participate in wrap fee programs.

E. Assets Under Management

As of December 31, 2023, the total amount of assets that the Firm was actively managing on a discretionary basis was \$843,353,211. As of December 31, 2023, the Firm was not managing any assets on a non-discretionary basis.

Item 5 Fees and Compensation

A. The Firm's Fees and Compensation; B. Payment of Compensation

The Firm (or its affiliates) charges fees to its Funds for investment advisory and management services ("Management Fees") that are equal to 0.75%-1% of Net Assets Under Management, subject to waiver or reduction by the Firm, on an annual basis, payable monthly or quarterly, as provided for in the Fund Governing Documents of the applicable Fund.

In addition, if the Firm acts as a servicer for any loan, it receives an additional fee of 0.5%-2% of the principal amount of any loan ("Servicing Fees") which is payable on a monthly or quarterly basis by the Funds, as provided for in the Fund Governing Documents of the applicable Fund.

In addition, the Firm also receives or may receive the following compensation from borrowers (not from the Funds and not Investors), not associated with investment advice to the Funds: Origination Fees, Extension Fees, Break Up Fees, Late Charges, Default Interest Payments, Exit Fees, Profit Participation Fees, Good Faith Deposits, Forbearance Fees, Purchase Premiums, and Prepayment Penalties/Premiums. These fees are paid directly by borrowers on Fund loans. These fees are negotiable and vary on market conditions.

Investors permit the Firm (or, if applicable, its affiliates) to directly deduct the Management Fees and Servicing Fees from the Funds. However, the Firm (or, if applicable, its affiliates), in accordance with Governing Documents and/or the Fund Governing Documents, can also request that Investors remit the Management Fees to the Funds, which then pay the Firm.

In addition, pursuant to the Fund Governing Documents, the Firm or its affiliates are permitted to receive certain performance-based compensation in the form of excess profits from one or more of the Funds. However, the Firm maintains the discretion to allocate all or any portion of such compensation to the respective Fund. See Item 6.

C. Additional Fees and Expenses

Generally, the Funds are responsible for their organizational expenses, up to the maximum set forth in the Fund Governing Documents. Expenses borne by the Funds typically include, but are not limited to, those expenses incurred in connection with the marketing and offering of interests in the Funds, fees, costs and expenses relating to the Funds' investment programs, including those related to structuring and negotiating the acquisition, financing and disposition of investments, insurance and litigation expenses, legal, audit and accounting expenses, custodial, compliance and administrative expenses, and any extraordinary costs and all other operating costs and expenses in connection with the operation of the Funds. The Funds may also be subject to different or additional costs or expenses as are more fully described the Fund Governing Documents, which contain a detailed description of all costs and expenses of the Funds.

D. Prepayment of Management Fees

Generally, Management Fees are paid monthly in arrears. If the Firm (or any affiliate thereof) is

terminated by a Fund, then any Management Fees paid in advance will be prorated and amounts attributable to the period following such termination shall be returned to such Fund.

E. Additional Compensation and Conflicts of Interest

Neither the Firm nor any supervised person of the Firm may accept direct compensation for the sale of securities or other investment products.

As noted above in Item 5, the Firm will receive additional fees payable by the loan borrowers for each loan that the Funds invest in. As a result of this, the Firm has an incentive to underwrite all loans, regardless of whether they would be profitable to the Funds. The Firm mitigates this potential conflict of interest by managing the Funds in accordance with each Fund's investment objectives set forth in the Fund Governing Documents.

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

As noted above in Item 5, the Firm or its affiliates are entitled to receive certain performance-based compensation. Neither the Firm nor any of its affiliates received any performance-based compensation in 2023. From time to time, the Firm may receive performance-based compensation from one or more, but not all, of the Funds. This scenario may create an incentive for the Firm to favor the Fund that will be charged performance-based compensation or to make investment decisions relating to the Fund charged performance-based compensation that may be riskier or more speculative than if only asset-based management fees were charged to the Fund.

Item 7 Types of Clients

The Firm provides investment advice to the Funds, which are pooled investment vehicles, generally organized as limited liability companies or limited partnerships that are exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Investors in the Funds include insurance companies, fund-of-funds, individual retirement accounts ("IRAs"), endowments and foundations and other institutional investors and high net worth individuals. The Fund sets a target fund size for each Fund, and generally sets a minimum investment amount for Investors (typically around \$100,000 - \$500,000 per Investor, but the Firm may accept lesser amounts at its discretion). IRAs are subject to the prohibited transaction rules of the Internal Revenue Code that, could, from time to time, have the effect of limiting the investment opportunities available to certain Fund accounts.

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

A. Methods of Analysis and Investment Strategies

The Firm's mandate is to build an equity rich, short-term loan portfolio for each of the Funds, secured by conservatively valued assets to weather against market downturns. The Firm generally seeks to protect and diversify principal through well allocated portfolios of short-term commercial loans, collateralized by low loan-to-value first deed trust mortgages. To achieve this, the Firm's own underwriting team conducts extensive underwriting analysis and personally conducts all site visits

and borrower interviews. The Firm may also, on occasion, for the Funds' portfolios, (i) purchase properties that are subject to being repurchased by the original seller to limit certain foreclosure risks and (ii) structure certain loan products as "sale-leaseback" transactions or other products or transactions with hybrid equity and debt characteristics.

Generally, the Firm's investment strategy for the Funds will be executed in a systematic and comprehensive manner that incorporates several key elements including: proactive transaction sourcing; thoughtful consideration of each potential investment; disciplined underwriting; thorough due diligence; the utilization of prudent leverage; sound portfolio oversight and the implementation of timely exit strategies.

B. Certain Risk Factors

There can be no guarantee that the Funds will achieve their investment objectives and goals or that the Firm's investment recommendations or advice will be successful. All investments involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that the Firm's investment strategies are low risk or risk free. The Firm's investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The following is a summary of certain of the material or principal risks that are or may be associated with the Firm's investment advisory services and investments made by the Funds. The various risks outlined below are not the only risks associated with the Firm's investment strategies and processes and certain risks may not apply to all the Firm strategies. With respect to the Funds, the following risks are qualified in their entirety by the risks set forth in the applicable Fund Governing Documents.

General Economic and Market Conditions. The success of each Fund's activities will be affected by and subject to general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of each Fund's investments), trade barriers, trade wars, tariffs, protectionist regulatory policies, currency exchange controls, national and international political circumstances and developments, and other circumstances (including wars, epidemics, pandemics and outbreak of disease, terrorist acts, security operations and natural disasters), as well as changes in government policy precipitated by the foregoing. Unpredictable or unstable market conditions may also result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from each Fund's investments. From time to time, including during the COVID-19 global pandemic and during 2008 and 2009, various markets around the world have experienced extreme periods of volatility, illiquidity, correlation with other markets, negative (or positive) performance and other disruptions and conditions that would previously have been viewed as extremely unlikely. Such market developments have led to large losses and insolvencies at numerous investment funds soon thereafter. For example, during the second half of 2008, the state of the worldwide economy deteriorated into a severe recession. If a similar economic situation were to occur in the future, the Funds could experience a reduction in attractive investment opportunities and each Fund's investments could be materially impaired in many ways that cannot be predicted. There can be no assurance that general market developments in the future will not have a material adverse effect on the Funds and specifically that the Funds will not suffer material losses and other adverse effects from rapid changes in market conditions in the future. Even a well-analyzed

approach may not protect the Funds from significant losses under certain market conditions. The particular or general types of market conditions in which the Funds may incur losses cannot be predicted, and the Funds may materially underperform other investment funds with substantially similar investment objectives and approaches.

Risks of Government Action. In 2008 and thereafter, the global financial markets underwent significant disruptions that led to significant governmental interventions and actions. The COVID-19 global pandemic has recently led to, and may result in or lead to, significant (and in certain cases unprecedented) governmental interventions both in the United States and abroad. Such interventions have been and may be implemented on an “emergency” basis, with little advance notice, thereby substantially reducing or eliminating market participants’ ability to anticipate or react to such interventions, to implement certain investment strategies or to manage the risk of outstanding positions. In addition, these interventions have been and may be unclear in scope and application, resulting in confusion and uncertainty, which in itself can be materially detrimental to the efficient functioning of the economy or each Fund’s investment strategies. If governmental intervention programs or actions are unwound, there could likewise be uncertainty and adverse effects on the economy and each Fund’s investment strategy. In the case of any future market disruptions, significant economic events, pandemics or other health events, or other events or circumstances, it is impossible to predict what interim or permanent governmental interventions, restrictions (or easing of restrictions) or other actions may be imposed on the markets or the economy or the effect of such actions on each Fund’s activities and investment program. For all of the foregoing reasons, among others, governmental interventions and other actions could have a material adverse effect on the Funds and its investment program.

Operating History is No Indication of Future Results. The past performance of the Firm and the Funds is no indication of how they will perform in the future.

Inflation Risks. The Funds will have exposure to inflation risks, meaning that the value of each Fund’s investments or income from each Fund’s investments will be worth less in the future as inflation decreases the value of money over time. As inflation increases, the real value of the interests or units of each Fund may decline.

Fluctuations in Interest Rates. Mortgage interest rates are subject to abrupt and substantial fluctuations, but the purchase of interests or units in the Funds is a relatively illiquid investment. If prevailing interest rates rise above the average interest rate being earned by each Fund’s loan portfolio, investors may wish to liquidate their investment in order to take advantage of higher returns available from other investments but may be unable to do so.

Force Majeure Risks. Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, war, terrorism, labor strikes, outbreaks of disease and potentially other events or occurrences. Force majeure events in the United States and elsewhere in the world may adversely affect the ability of the Firm, each Fund’s manager(s), or their affiliates or agents or the parties with whom they do business to perform their respective obligations, under a contract or otherwise. In addition, dealing with any force majeure event will divert the Firm and each Fund’s manager(s) time and effort, and the cost of repairing or replacing damaged assets could be considerable.

Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. In some cases, agreements can be terminated if the force majeure event is so catastrophic so as to render a party incapable of remediation within a reasonable, pre-agreed time period. Force majeure events that are impossible or costly to cure may also have a permanent adverse effect on the Funds or their investments, and each Fund's potential returns would be diminished as a result.

Regulatory Developments. The financial services industry generally, and the activities of private funds and their managers in particular, have been subject to, and continue to be subject to, intense legal and regulatory scrutiny. Such scrutiny may increase each Fund's and the Firm's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the firm, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the firm's time, attention and resources from portfolio management activities. Securities and credit markets are subject to comprehensive statutes, regulations and other requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. Additionally, the regulation of the markets in which the Funds may participate is subject to modification by government and judicial actions. The effects of any changes in law or interpretations of existing laws on the Funds and the Firm could be substantial and adverse. The legal, tax and regulatory environment worldwide for private investment funds (such as the Funds) is evolving, and changes in the regulation of and laws applicable to private investment funds, their managers and their investing activities may have a material adverse effect on the ability of the Funds to pursue its investment program. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue their investment program could have a material adverse effect on the Funds. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the rules and regulations thereunder and other laws and regulations have added and may continue to add costs to the legal, operational and compliance obligations of the Firm and the Funds and increase the amount of time that the Firm spends on non-investment-related activities. The European Union ("EU") approved the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD"), which seeks a common EU approach to the regulation of hedge funds and other types of alternative investment funds. The Dodd-Frank Act, AIFMD and other regulations could cause certain investment strategies in which the Funds currently engage or may otherwise have engaged to become not viable, economically or practically. Additional laws, rules and regulations could have a material adverse impact on the potential of the Funds and their business. Among other possible effects, such laws, rules and regulations could limit the scope of each Fund's investment activities, require disclosure of confidential information (including the identities of investors), change applicable accounting requirements, impose new taxes or impose significant administrative burdens, which divert resources, time and attention. Consequently, the Funds may not be capable of, or successful at generating positive investment returns or effectively managing its risks. This brochure cannot address or anticipate every possible current or future law, rule or regulation that may affect the Funds, the Firm and their respective businesses. Prospective investors are encouraged to consult their own advisors regarding an investment in the Funds.

Risks Stemming from the U.S. Administration. The SEC rulemaking and enforcement activity

has, and may continue to, increase. The current leadership of the SEC has signaled that it intends to seek to enact changes to numerous areas of law and regulations currently in effect. In particular, the SEC has placed an increased emphasis on investment adviser regulation and has proposed and subsequently adopted a number of new rules that will impose significant changes on investment advisers and certain of their management activities. The SEC is expected to propose additional changes in the future. Although compliance with many aspects of these SEC rules and proposals will not be immediately required following their adoption, significant resources will be required for the asset management industry to comply with these new SEC rules as well as any subsequently adopted rules. New SEC rules are likely to have a significant effect on investment advisers and their operations and any vehicles or other entities they advise, including increasing compliance burdens and regulatory costs, restrictions on the ability to receive expense, indemnification, and other cost reimbursements, and heightened risk of regulatory enforcement action, such as public sanctions, restrictions on activities, fines, and reputational damage. Any of the foregoing could lead to further regulatory uncertainty, could result in changes to each Fund's operations, and could materially impact the Funds and/or their returns including, among other things, by causing the Funds to incur additional compliance and regulatory related costs and expenses.

Regulatory and Legal Matters. Although the Funds, the Firm, and their manager(s) and affiliates strive to comply with all applicable laws and regulations, there can be no certainty that this objective will be achieved. As an SEC-registered investment adviser, the Firm will be subject to periodic examination and inspection by the SEC. Even an inadvertent violation or an alleged violation of applicable laws or regulations could impose significant costs on the Funds, including disgorgement of profits, penalties, settlement payments, loss of necessary licenses, restrictions on future activities, adverse publicity and otherwise. Such costs and expenses associated with regulatory, investigatory and administrative and litigation matters are generally borne by the Funds, even if they result from the negligence of the Funds, the Firm, and their manager(s) and affiliates. Furthermore, at the time the Funds bear or pay such costs, the composition of the Investors will likely be different than it was at the time of the regulatory or legal matter giving rise to such costs. There generally will be no mechanism or ability by which the Funds may recapture such costs from, or otherwise allocate such costs to, withdrawn Investors. As a result, the Investors with interests or units in the Funds at the time such costs are paid by the Funds would bear a disproportionate share of such costs. The Funds, the Firm, and their manager(s), affiliates and agents may in the future be named as defendants in civil litigation related to their investment activities or investments. The expenses of defending against claims and paying any amounts pursuant to settlements or judgments generally will be borne by the Funds; the Funds, the Firm, and their manager(s) and affiliates generally will be indemnified by the Funds in connection with any such litigation, subject to certain conditions. Litigation could also be a distraction for the Firm's personnel and the negative publicity or an adverse judgment or settlement could result in costs that would make it difficult for the Firm to attract and retain key personnel or otherwise achieve its or each Fund's objective.

Absence of Regulatory Oversight Over the Company. While the Funds may be considered similar to an investment company, the Funds do not expect to register as such under the Investment Company Act pursuant to an exclusion therefrom, and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors and regulate the relationship between the adviser and the investment company) generally will not be applicable to the Funds. If the Funds were to become

subject to regulation as an investment company under the Investment Company Act because of a change in applicable law or otherwise, the various restrictions imposed by the Investment Company Act and the substantial costs and burdens associated with compliance therewith could adversely affect the financial performance of the Funds. Moreover, parties to a contract with an entity that fails to register as an investment company if required to do so under the Investment Company Act may be entitled to rescind their contracts with such entity.

Taxation of Funds. Any favorable federal tax treatment presently available with respect to the Funds could be affected by any changes in tax laws that may result through future Congressional action, tax court or other judicial decisions, or interpretations of the Internal Revenue Service (the “IRS”). IN VIEW OF THE FOREGOING, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX COUNSEL.

Distressed Borrowers. In many cases, the borrowers that the Funds provide loans to are distressed such that the loans carry a greater risk of default than those provided by traditional real estate lenders. Often, such borrowers do not have the credit rating, cash flow or assets, or meet the documentation requirements needed to borrow money from traditional lenders. Therefore, risks are present that are not typically present with other borrowers. Investors in the Funds should be aware that these loans may carry a greater risk of default than loans made by traditional lenders.

Real Estate Market Cycles. Since 2009, real estate prices in many U.S. markets have steadily increased, and real estate investors have achieved returns in a generally healthy real estate market with rising real estate prices. Many predict that the United States will experience another real estate market downturn, although whether this will actually happen, and the timing, are impossible to predict. Should such a downturn occur, the Funds could see a substantial increase in the default rate of their loans. They could also find themselves in “workout” situations and other circumstances where the Funds have to defer payment on loans, reduce loans’ principal or accept distressed real estate in return for writing-off loans or as a consequence of borrower defaults. A significant and prolonged downturn in the real estate market could have a substantial and negative impact on returns of the Funds to investors and may yield principal investment losses.

Loan Defaults. The Funds are in the business of lending money and, as such, take the risk of default by borrowers and other risks faced by lenders. Some Fund loans provide for monthly payments of interest only or have amortization schedules but are generally due and payable in three (3) years or less. Thus, borrowers are required to make large “balloon” payments of principal due at the end of the loan term. Many borrowers are unable to repay such loans out of their own funds and are compelled to refinance. Fluctuations in interest rates and the lack of availability of mortgage funds could adversely affect the ability of borrowers to refinance their loans at maturity. In the event of any default under a mortgage held 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 each Fund’s cash flow. 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 that could have a substantial negative effect on each Fund's anticipated return on the foreclosed mortgage loan.

Real Property Market Value. All borrowers will need to demonstrate adequate ability to meet their financial obligations under the terms of any loan in which the Funds may invest, and the Funds may be "asset" rather than a "credit" lenders. This means that the Funds may rely primarily on the value of the real property to secure loans to protect their investments, with repayment ability always being taken into consideration. There are a number of factors which could adversely affect the value of any such real property securing a loan, including, among other things, the following:

- The Funds will rely on independent appraisals or opinions of value rendered by the Firm or third-party brokers to determine the fair market value of real property. No assurance can be given that such appraisals or other valuations will, in any or all cases, be accurate. Moreover, since an appraisal fixes the value of real property at a given point in time, subsequent events could adversely affect the value of real property. Such subsequent events may include nationwide, statewide or local economic, demographic, property or other trends, or may include specific local events such as freeway construction or adverse weather conditions. Neither an appraiser nor the Firm will be able to predict with any certainty whether these events will occur after a loan is made.
- Construction rehabilitation loans will be based upon an appraisal performed on an "as- completed" basis before the improvements are actually completed. Thus, the Funds are subject to the risks that actual construction costs may exceed budget, construction delays could occur, labor or supply shortages may exist, or the market value of the project once completed could be less than anticipated. Also, if the Funds must foreclose on the property before the project is completed, it is unlikely that the property will then have a value as high as its analyzed value "as constructed" or "as rehabilitated" and therefore there is a greater likelihood that the Fund will not be able to sell the property for the full amount owing to the Fund. Furthermore, if the Fund must foreclose before construction or rehabilitation is completed, and if there are insufficient funds in any construction disbursement account to complete construction, the Firm will need to choose between selling the property with construction incomplete or incurring debt to finance completion of the project before it is sold. If the Firm elects to sell the property before completing construction, the property is more likely to sell at a price which will not return to the Funds the amount owed on that loan. On the other hand, if monies are borrowed to complete construction, those monies will have to be repaid before the Fund will receive the amount invested. Under the construction loan agreement or the rehabilitation loan disbursement agreement, the Firm may, but will not be obligated to, advance the funds required to complete construction of a property or to otherwise increase its marketability. If the Firm advances funds, the advances plus interest will be repayable out of proceeds from the sale or refinancing of the property before payments will be made to the Fund.
- If a Fund cannot quickly sell the real property, and the property does not produce

any significant income, the Fund's profitability will be adversely affected.

- Real property improvements will constitute a significant portion of the value of the real property. In the event that such improvements are destroyed or damaged, the value of the real property will be correspondingly diminished to the extent not covered by insurance.
- Due to certain provisions of law applicable to all real estate loans, if the real property proves insufficient to repay amounts owing to the Fund, it is unlikely that the Fund would have any right to recover any deficiency from the borrower.
- A number of the Funds' loans will be secured by additional or other junior deeds of trust. In the event of foreclosure on a loan that is so secured, the debt secured by the senior deeds of trust must be satisfied before any proceeds from the sale of the property can be applied toward the debt owed to the Funds. Furthermore, to protect its junior security interest, the Funds may be required to make substantial cash outlays for such items as loan payments to senior lienholders to prevent their foreclosure, property taxes, insurance, property maintenance or repair, etc. The Funds may not have adequate cash reserves on hand at all times to protect its security, in which event the Funds could suffer the loss of its invested capital in such a loan. Therefore, investments in loans secured by junior deeds of trust are subject to greater risk in the event of a decline in property values than are loans secured by first deeds of trust.
- The recovery of sums advanced by the Funds in making or investing in loans and protecting its security may also be delayed or impaired by the operation of the federal bankruptcy laws or by irregularities in the manner in which the loan was made. Any borrower has the ability to delay a foreclosure sale by the Funds for a period ranging from several months to several years simply by filing a petition for bankruptcy which automatically stays any actions to enforce the terms of the loan. The length of this delay and the costs associated therewith may have an adverse impact on the Funds' profitability.
- The value of real property could be adversely affected by earthquakes, floods, mudslides, similar events and acts of God that may not be insured.

Encumbrance Clauses. A "due-on-encumbrance" clause contained in a senior deed of trust, which permits the holder of the deed of trust to accelerate the loan if the borrower executes an additional deed of trust on the security property in favor of a junior lienholder and is enforceable in all cases except when the security property consists of residential property consisting of four or fewer units. The Firm intends to follow customary and prudent lending practices when potential security property for a loan (except residences with four or fewer units) is already encumbered by a senior deed of trust.

Cross-Default Clause. The Funds may make loans secured by second or other junior deeds of

trust on real property, which means that another lender may hold a senior deed of trust securing one of several loans to the borrower. The loan secured by the senior deed of trust may contain a “cross-default clause” which would entitle the senior lender to accelerate the balance of the senior loan if the borrower defaults on another obligation to the senior lender which is not secured by the subject property. In such circumstances, the senior lender may be entitled to accelerate and foreclose upon the senior loan even if the borrower is not in default under the particular loan secured by the property but under a different unrelated loan. In this situation, the Fund’s security could be at risk even though the property securing the Funds’ loan is performing well and is able to pay its own debt service.

Risks of Leverage. The Funds may borrow funds from third-party lenders in order to fund additional mortgage loans. The Funds may assign most or its entire loan portfolio to such lenders for the loans. The cost of the funds that the Funds will be borrowing from lenders may accrue interest at a floating rate of interest. If the adjustable rate should increase such that the Fund’s cost of borrowed funds exceeds the fixed rate of interest from its loans that it is earning on the fixed rate portion of its loan portfolio, the Funds may default under its loan and security agreement with a lender. If most or all of the Funds’ loan portfolio is assigned to a lender as security for the loan, the Funds would be at risk of losing their assets (i.e., the Funds loan and/or the underlying real property security) to a lender if a lender elected to foreclose on this collateral as a result of a default by the Funds, causing losses to Investors. If the Firm leverages the portfolio, it intends to lend to borrowers at a variable rate to the extent possible to reduce or eliminate interest rate risk. Various other events may cause the Funds to default under a third-party loan thereby allowing a third-party lender to foreclose on the Funds’ loan portfolio. These events may include the failure of the Fund to observe any of the covenants contained in the loan agreement, the default by the Fund under any other loan agreement to which it is a party, the bankruptcy or insolvency of the Firm, and other events specified in the loan agreement. Thus, the Funds are at risk of losing most or its entire loan portfolio on the occurrence of many events that do not directly relate to the ability of the Funds to service the third-party loans and some of which are not within the control of the Funds.

Unspecified Loans; Reliance on the Firm. Investors will have no opportunity to review potential Funds loans. The Firm will participate in all decisions with respect to the management of the Funds, including the determination as to what loans to make or purchase, and the Funds are dependent to a substantial degree on the Firm’s continued services. In the event of the dissolution, death, retirement or other incapacity of the Firm or its principals, the business and operations of the Funds may be adversely affected.

Uninsured Losses. The Firm will arrange for comprehensive title, fire and casualty insurance on the properties securing the Funds’ loans. The Firm may also, but is not required to, arrange for earthquake insurance. However, there are certain types of losses (generally of a catastrophic nature) which are either uninsurable or not economically insurable, such as losses due to war, floods, mudslides or other acts of God. Should any such disaster occur, or if casualty insurance is allowed to lapse through oversight, the Funds could suffer a loss of its principal and interest on the loan secured by the uninsured property. Furthermore, other losses could occur which may result in the denial of insurance coverage or inadequate or inaccurate coverage or other unforeseen circumstances and may also lead to loss of the Fund’s principal and/or interest or damages on a loan investment.

General Risks of Lending. The value of each Fund's investments will be affected by many different factors, including borrower or guarantor defaults, insufficient collateral, and legal and other costs in enforcing each Fund's rights. However, there can be no assurance that the value assigned by the Firm to collateral underlying a credit instrument held by the Funds will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain loans may be supported, in whole or in part, by personal guarantees made by the borrower or another person. The amount realizable with respect to a loan may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. There may also be a monetary, as well as a time cost involved in collecting on defaulted loans and, if applicable, taking possession of and subsequently liquidating collateral.

Interest Rate Risk and Federal Reserve Policies. The mortgage lending business is sensitive to changes in interest rates, especially long-term interest rates. Each Fund's involvement in the mortgage business entails significant exposure to risks related to market conditions, particularly fluctuations in interest rates and Federal Reserve policies. Mortgage markets are highly sensitive to changes in interest rates, and rising rates could potentially have materially adverse effects on each Fund's operations and investments, as each Fund's performance is typically correlated with fluctuations in interest rates. Lower interest rates generally increase the volume of mortgage originations, while higher interest rates generally cause that volume to decrease. A sustained increase in interest rates could negatively impact each Fund's loan origination volume and refinancing activity, causing a material adverse effect on its operating results and financial condition. In addition, increasing interest rates could increase each Fund's interest costs under a credit facility. The economic strategies of the Federal Reserve, particularly policies regarding interest rates and inflation, could significantly and negatively impact each Fund's operations. Beginning in 2022, the Federal Reserve transitioned to a tightening policy and started raising short-term rates significantly and rapidly. Among other things, tightening strategies are intended to increase interest rates, discourage borrowing, tighten the money supply, and restrain economic activity, each of which could cause a material adverse effect on each Fund's operations and investments. The evolving policies of the Federal Reserve, particularly in the context of interest rates, remain uncertain, and policy adjustments may yield unforeseen consequences and affect the financial systems in ways that may be difficult to predict, as evidenced by the bank failures witnessed in March 2023.

Risks of Investment in Real Estate-Related Investments. All real estate-related investments are subject to some degree of risk. For example, the ability of a borrower to have sufficient cash to make payments on its loans may be affected by factors such as changes in zoning, building, environmental and other governmental laws, environmental liabilities, political or local opposition, changes in operating expenses, changes in real estate tax rates, changes in interest rates, energy prices, the ongoing need for capital improvements, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the borrower and the Firm.

Valuation Risks. Valuation of each Fund's investments will be difficult, as there generally will be no established market for each Fund's real estate investments or mortgages. The overall performance of the Funds will be affected by the price paid by the Funds for investments and other

assets owned by the Funds, and the price at which such investments or assets are sold or disposed of, which will be subject to negotiation with the sellers and buyers of the investments. Valuation determinations will be made by the manager(s) of the Funds or the Firm in good faith and will be final, binding and conclusive as to the Funds and all Investors.

Competitive Nature of Each Fund's Business. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. Numerous other investment funds compete with the Funds for desirable investment opportunities. The Firm may be unable to identify a sufficient number of attractive investment opportunities for the Funds to meet their investment objectives. No assurance can be given that the Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Funds will be achieved.

Identification of Investment Opportunities. Each Fund's success will depend primarily upon the identification and availability of suitable investment opportunities, and the ability of the Firm to locate and evaluate such opportunities. The business of identifying and structuring real estate-backed loans is highly competitive and involves a high degree of uncertainty and risk. Many investment decisions by the manager(s) of the Funds will be dependent upon the ability of their members and agents to obtain relevant information from non-public sources, and the manager(s) of the Funds often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The availability of investment opportunities will be subject to market conditions and certain other factors that will be outside the control of the manager(s) of the Funds. There can be no assurance that the Firm or the manager(s) of the Funds will be able to identify sufficient attractive investment opportunities to meet each Fund's investment objectives. Furthermore, there can be no assurance that the Firm's methods for sourcing prospective investments will be successful or sufficient to meet the demand from the Funds. The ability of the Firm to locate attractive investments is important to each Fund's success, and there can be no assurances that attractive candidates will be found in sufficient quantity to allow the Funds to deploy their assets in direct lending activities at the volume desired by the Firm. There also can be no assurance that attractive or suitable investments will be available for each Fund's investment activities, or that available investments will meet each Fund's investment criteria.

Due Diligence. Before the Funds make an investment, the Firm generally conducts such due diligence as it deems appropriate and relevant. In conducting its due diligence and making an assessment regarding a potential lending opportunity, the Firm relies on the resources available to it, including information from third-party sources and information provided by the borrower. The Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available. Also, the due diligence that the Firm carries out with respect to any potential investment may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. The Firm can never learn all relevant information regarding a particular Investment opportunity. Further, the Firm may misinterpret or incorrectly analyze the information that it has about a particular opportunity.

Risks of Ownership of Real Property. When the Funds acquire any direct or indirect equity or leasehold interest in real property by direct investment, foreclosure or otherwise, the Funds are exposed to the risks of liability incident to real property ownership or tenancy. Owners of real property may be subject to liability for injury to persons and property occurring on the real property or in connection with the activity conducted thereon, liability for non-compliance with governmental regulations or loss in value of property due to damage to such property by natural disasters, changing in zoning laws or other environmental or governmental regulation, and other factors. The Funds may be subject to the burdens of owning real property, which include paying expenses and taxes, maintaining the asset, and ultimately disposing of the asset. The marketability and profitability of a property may be adversely affected by local, regional and national economic conditions and demographic trends beyond the control of the manager(s) of the Funds and the Firm. The possibility of a partial or total loss of capital exists, and prospective investors should carefully consider the risks and consequences of such loss prior to making an investment in the Funds.

Environmental Liabilities. Under current federal and state law, the owner of real property contaminated with toxic or hazardous substances (including a mortgage lender that has acquired title through foreclosure) may be liable for all costs associated with any remedial action necessary to bring the property into compliance with applicable environmental laws and regulations. This liability may arise regardless of who caused the contamination or when the contamination occurred. The Funds may choose not to participate in the on-site management of any facility on a property in order to minimize the potential for liability for clean-up of any environmental contamination under applicable federal, state, or local laws. There can be no assurance that the Funds will not incur full recourse liability for the entire cost of any such removal and cleanup, or that the cost of such removal and cleanup will not exceed the value of the property. In addition, the Funds could incur liability to tenants and other users of the affected property, or users of neighboring property, including liability for consequential damages. The Funds would also be exposed to risk of lost revenues during any cleanup and to the risk of lower lease rates or decreased occupancy if the existence of such substances or sources on the property becomes known. If the Funds fail to remove the substances or sources and clean up the property, it is possible that federal, state, and/or local environmental agencies could perform such removal and cleanup, and impose and subsequently foreclose on liens on the property for the cost thereof. The Funds may find it difficult or impossible to sell the property prior to or following any such cleanup. The Funds could be liable to the purchaser thereof if the manager(s) of the Funds or the Firm knew or had reason to know that such substances or sources existed. In such a case, the Funds could also be subject to the costs described above. If toxic or hazardous substances are present on real property, the owner may be responsible for the costs of removal or treatment of the substances. The owner may also incur liability to users of the property or users of neighboring property for bodily injury arising from exposure to such substances. If the Funds are required to incur such costs or satisfy such liabilities, this could have a material adverse effect on Funds profitability. Additionally, if a borrower is required to incur such costs or satisfy such liabilities, this could result in the borrower's inability to repay its loan from the Funds. The mere existence of hazardous substances on the property may depress the market value of the property. A lender's best protection against environmental risks is to thoroughly inspect and investigate the property before making or investing in a loan; however, environmental inspections and investigations are very expensive, and often are not financially feasible in connection with loans of the size and type to be made by the Funds, particularly in the case of residential mortgage loans. As a result, toxic contamination reports or other environmental

site assessments will generally not be obtained by the Funds in connection with their loans. The Firm will, however, take certain precautions to avoid environmental problems, such as not making or investing in loans secured by properties known or suspected to have (or to be likely to have) environmental problems.

High Cost Mortgages / “Predatory” Lending. The Home Ownership and Equity Protection Act of 1994, as amended, and the regulations thereunder (collectively the “HOEPA”), impose restrictions on and require certain Truth-in-Lending disclosures with respect to mortgage loans secured by a consumer’s principal dwelling (other than purchase money or construction loans and reverse mortgages) which either: (a) with respect to first mortgage liens on residential dwellings, bear interest at an APR that is 6.5 percentage points higher than Average Prime Offer Rate (APOR) for a comparable transaction on that date; or (b) involve payment of points and fees by the consumer in excess of the greater of: (A) 5% of the total loan amount for a transaction with a loan amount of \$26,092 or more and (B) the lesser of 8% of the total loan amount or \$1,305 for a transaction with a loan amount of less than \$20,000, with such \$26,092 and \$1,305 amounts being applicable for 2024 and adjusted annually for inflation. A failure to comply with HOEPA subjects the lender to a loss of all finance charges and fees paid by the consumer and may be grounds for rescission by the consumer. HOEPA raises significant questions as to its application and interpretation, especially in cases involving clerical errors that result in mistaken disclosures. The Funds may make loans that are subject to HOEPA and the Funds intend to comply with the requirements of HOEPA. However, it is possible that the Funds may inadvertently fail to comply with the requirements of HOEPA, which may result in unanticipated costs and/or losses to the Funds. Further, certain state and local governments have enacted statutes and ordinances designed to discourage so-called “predatory” lending practices by mortgage lenders, usually involving persuading a borrower to accept a larger loan than is needed at a higher interest rate and other costs than could reasonably be obtained from other sources. These statutes and ordinances place an almost insurmountable burden of proof on the lender to justify its loan terms and lending practices, at the risk of rendering the loan unenforceable. Due to the uncertainty of the law in this area, the Funds do not intend to make a significant number of loans that would be covered by these state laws. To the extent the Funds make such loans, it will take all steps deemed necessary by the Firm to comply with these state laws; *provided, however*, that there can be no assurance that such steps will completely eliminate the risk of such loans.

Risks of Litigation. The Firm will act in good faith and use reasonable judgment in selecting borrowers and making and managing the loans. However, as a result of each Fund’s lending activities, the manager(s) of the Funds, the Firm and the Funds are exposed to the risk of litigation by a borrower for any allegations by the borrower (warranted or otherwise) regarding the terms of the loans or the actions or representations of the manager(s) of the Funds or the Firms in making, managing or foreclosing on the loans. It is impossible for the Firm to foresee what allegations may be brought by a specific borrower, and the manager(s) of the Funds and the Firms will use their best efforts to avoid litigation if, in their judgment, the circumstances warrant an alternative resolution. If an allegation is brought and/or litigation is commenced against the Funds, the manager(s) of the Funds, or the Firm, the Funds will incur legal fees and costs to respond to the allegations and to defend any resulting litigation which could have an adverse effect on each Fund’s profitability.

Tax Risks Associated with the Structure of the Funds. Currently, the Funds initially invest their capital contributions into a wholly owned corporate subsidiary, which originates investments and then issues participations in these investments to the Funds. There is a substantial risk that the IRS may assert that this wholly owned corporate subsidiary is acting as an agent of the Funds and therefore treat the Funds as the originating party. If the IRS were to successfully make such an assertion, then it may increase the amount of UBTI that would be allocable to tax-exempt Investors and increase the amount of income treated as effectively connected with a U.S. trade or business for a non-U.S. Member.

Potential for Fraud. There is a risk that the Funds will be subject to fraud in connection with their business or investment activities and there is no assurance the Firm will be able to prevent all types of fraud by parties with whom the Funds or the Firm, on behalf of the Funds, transact business. The Firm relies on financial and other information made available by the owners of properties with which the Funds engage in investment activities or information received from or made available by third parties in connection with their investment activities. The Firm typically will have no ability to independently verify such financial information and will be dependent upon the integrity of both the owners of these properties and the financial reporting process in general. Mismanagement, fraud and accounting irregularities relating to the investments held by the Funds may result in material losses.

No Assurance of Profit or Distributions. The value of the investments generally will depend upon factors beyond the control of the Funds, the Firm, and the manager(s) of the Funds. There can be no assurance that each Fund's investments will be profitable or realized or that any distributions will be made to Investors with respect thereto. Distributions ultimately will depend upon the success of the investments made by the Funds and the success of each Fund's investment objective and strategy. Distributions also will be subject to the terms and provisions of the Fund Governing Documents. The expenses of the Funds or any investment may exceed each Fund's income, and Investors could lose the entire amount of their invested capital. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment.

Item 9 Disciplinary Information

The Firm is required to disclose any legal or disciplinary events that are material to the Funds' or prospective client's evaluation of the Firm's advisory business or the integrity of the Firm's management.

A. Criminal or Civil Proceedings

None to report.

B. Administrative Proceedings Before Regulatory Authorities

None to report.

C. Self-Regulatory Organization (SRO) Proceedings

None to report.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

A registered investment adviser is required to disclose whether it or 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. Neither the Firm 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.

B. Broker-Dealer Registration Status Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status

A registered investment adviser is required to disclose whether it or 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. Neither the Firm nor any of its management persons are registered as such or have any application for such registration pending.

C. Material Relationships and Arrangements

Certain affiliates of the Firm serve as general partners or managers to the Funds, (the “GP Entities”). Pursuant to management agreements between the Funds, the GP Entities and the Firm, the Firm provides investment advisory services to the Funds.

D. Material Conflicts of Interest Relating to Other Investment Advisors

None to report.

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

The Firm has adopted a Code of Ethics (the “Code”), which describes the Firm’s fiduciary duties and responsibilities to the Funds, requires that the Firm’s employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. The Firm’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by the Firm or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm’s employees. The Code prohibits employees from engaging in personal trading in the securities of issuers on the Firm’s restricted list, requires employees to provide duplicate brokerage account statements and trade confirmations to the Firm

or to report all securities transactions on at least a quarterly basis, and requires employees to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material non-public information (“insider trading”) and other confidential information, and also addresses conflicts of interest, outside activities of employees, gifts and business entertainment, including limitations and reporting requirements, and pre-clearance and reporting of political contributions. The Firm will provide a complete copy of its Code to any Investor.

Neither the Firm nor any employee recommends to the Funds, or buys or sells on behalf of the Funds, securities in which the Firm or any employee has a material financial interest.

While the Firm for its own account will not invest in the same securities that it invests in on behalf of the Funds, certain employees directly or indirectly may receive from portfolio companies’ current compensation. Generally, the Firm or any employee does not (i) invest in the same securities that the Firm or employee recommends to the Funds or (ii) recommend securities to the Funds, or buy or sell securities for the Funds’ accounts, at or about the same time that the Firm or employee buys or sells the same securities for the Firm’s or the employee’s own account. Notwithstanding each of the foregoing statements, from time to time, employees may seek approval from the Chief Compliance Officer in accordance with the Code to purchase certain securities for themselves in which the Funds may hold or may be seeking to acquire an ownership interest.

Neither the Firm nor any employee recommends securities to the Funds or buys or sells securities on behalf of the Funds, at or about the same time the Firm or any employee buys or sells the same securities for their own accounts.

Item 12 Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Due to the nature of the Firm’s business, it does not regularly engage in trading activities. The Firm, as manager of its Funds’ accounts, is generally in a position to direct where Fund transactions are executed. To the extent applicable, in placing orders to purchase and sell securities for client accounts, the Firm directs transactions to brokers that it believes can provide favorable prices and efficient execution of transactions (i.e., “best execution”). Consistent with this policy, the Firm selects brokers that charge commissions that it believes are fair and reasonable, without necessarily determining that the lowest commissions are paid in all circumstances.

B. Research and Other Soft Dollar Benefits

The Firm does not receive any research or other products or services other than execution from a broker-dealer or a third-party in connection with securities transactions.

C. Brokerage for Client Referrals

Neither the Firm nor any employee considers the possibility of receiving client referrals from a

broker-dealer or third-party when selecting or recommending broker-dealers.

D. Directed Brokerage

The Firm does not accept directed brokerage arrangements.

E. Order Aggregation

The Firm generally does not have the opportunity to aggregate orders.

Item 13 Review of Accounts

The Firm reviews the Funds' holdings on an ongoing basis to ensure consistency with the Funds' strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Senior Management. Reviews may take place more frequently if triggered by economic, market or political conditions.

Item 14 Client Referrals and Other Compensation

As a fund manager, the Firm does not have any client referral engagements. However, it does engage with third-party placement agents to assist in the marketing of certain Funds, including introductions to prospective investors. All such referral activities will be conducted in accordance with applicable state and federal law.

Item 15 Custody

The Firm has custody of the Funds. With the exception of certain assets, which are defined as "privately offered securities" under the Custody Rule, all assets are held by "qualified custodians."

The Firm's assets under management include the Funds of which it has custody, as well as the value of assets managed by the Firm and unfunded capital commitments.

The Firm complies with the Custody Rule by relying on the "Pooled Vehicle Audit Exception" described in Rule 206(4)-2(b)(4). The Chief Compliance Officer will be responsible for arranging for the annual independent audits of the Funds by an independent auditor in accordance with generally accepted accounting principles and for delivery of the funds audited financial statements to Investors within 120 days of fiscal year end.

Item 16 Investment Discretion

The Firm has complete discretion to make all investment decisions for the Funds, subject to any applicable investment criteria or other restrictions and limitations set forth in the Fund Governing Documents.

Item 17 Voting Client Securities

The Firm primarily invests on behalf of the Funds in real estate loans and such assets do not require voting. If the Firm is ever required to vote proxies in any of the Funds, then it will do so in accordance with its proxy voting policies and attempt to address any material conflicts of interest that may arise in the course of such voting.

As required by Rule 204-2 of the Act, the Firm maintains records regarding the manner in which it (i) administers its policies and procedures, and (ii) votes for its client. The client Investor may obtain additional information regarding the Firm's voting policies and procedures, as well as information regarding how the Firm voted on behalf of the client Investor by sending a request to the Firm's Chief Compliance Officer.

Item 18 Financial Information

The Firm does not require or solicit prepayment of fees in excess of \$1,200 more than six months in advance of services rendered. Therefore, the Firm is not required to include a financial statement.

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

Item 19 Requirements for State-Registered Advisors

Not applicable.