

Item 1. Cover Page



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This brochure provides information about the qualifications and business practices of Karlov Street Capital, LLC (“**Karlo**” or “**Firm**”). If you have any questions about the contents of this brochure, please contact us at (847) 503-9393. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of Karlov Street Capital, LLC or its personnel.

Additional information about Karlov Street Capital, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This is Karlov Street Capital, LLC's initial brochure filed with the SEC. As such, there are no material changes to report.

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Item 4. Advisory Business

Karlov Street Capital, LLC is a Delaware limited liability company located in Boca Raton, Florida. Karlov invests in private placements across the asset spectrum, including real estate, growth equity, private equity, and lending investments. The Firm was founded in 2015 and has been listed as an exempt reporting adviser since August 2017. Karlov is principally owned and managed by Karlov Street Partners, LLC.

Karlov provides discretionary investment advisory services to investment vehicles generally structured as limited liability companies (each an “**LLC**” and collectively the “**LLCs**”) to provide access to third-party private investment funds. In addition, Karlov provides investment advisory services to certain pooled investment vehicles structured as private funds (each a “**Fund**” and collectively the “**Funds**”) which are structured to invest in private investments or to function as access funds into other private funds (the **LLCs** and the **Funds** are each a “**Client**” and collectively are the “**Clients**”). Karlov’s advisory services primarily include identifying underlying private equity or fund managers with whom to invest the assets of each Client. Karlov also seeks unique investment opportunities for the Funds. Each Client is governed by a limited liability company agreement, operating agreements and/or private placement memorandum (“**Governing Documents**”). Karlov is either the managing member or non-member manager of each Client (in such capacity, the “**Manager**”). Investment advice is provided by Karlov directly to each Client and not individually to the investors or limited partners thereof, subject to the direction and control of the Manager. “**Investors**” refers to investors or limited partners in each Client. The Clients managed by Karlov were formed to pool investments of Investors for the purposes of investing each Client’s assets with private equity or other private fund vehicles (“**Underlying Funds**”) managed by third-party managers (“**Underlying Managers**”) that are selected by Karlov. Each Underlying Fund has its own governing documents which includes important disclosures with respect to investment related risks, macroeconomic considerations, fees and expenses, as well as other potential conflict issues and disclosures as determined by the Underlying Managers. A list of Karlov’s Clients are disclosed in the Form ADV Part 1. Each of the Clients is exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to Section 3(c)1 or 3(c)7 of the Investment Company Act.

The Firm manages each Client in accordance with the investment objectives and limitations set forth in the respective Client’s Governing Documents. Since Karlov does not provide individualized advice to Investors, Karlov encourages Investors to work with their personal financial and legal advisors to determine whether a particular Client meets their investment objectives and risk tolerance prior to investing. Karlov does not permit Investors in each Client to impose limitations on the investment activity described in the Governing Documents.

The Firm does not participate in wrap fee programs.

As of the date of this filing, the Firm managed approximately \$257,153,982 of regulatory assets on a discretionary basis. The Firm does not manage any investments on a non-discretionary basis.

Jacob Shapiro is Karlov's Chief Compliance Officer (“**CCO**”).

Item 5. Fees and Compensation

Karlov receives compensation from a combination of management fees, administrative fees, contribution fees, and carried interest allocations. Karlov also receives reimbursements for certain other fees and expenses, which vary by Client and which are disclosed in each Client’s respective Governing Documents. Each Client has bespoke terms based on factors such as, but not limited to, complexity and type of investment(s) and general terms.

Management Fees

The Firm generally receives a management fee of 1% per annum, though it varies based on the applicable Client's Governing Documents, calculated on Investor committed capital, payable quarterly in advance. Depending on the structure and complexity of the underlying investment, management fees are sometimes reduced to as low as .5% per annum, generally beginning on the sixth anniversary of the closing date, calculated on Investor committed capital, payable quarterly in advance. The specific fee percentage, timing of payments, and calculation of the management fee basis varies among the Clients. Investors should consult the Governing Documents of a particular Client prior to investing to understand the specific management fee calculations pertaining to such Client. The management fee is intended to compensate Karlov for the investment advisory services that it provides to each Client on a continuous basis.

Administrative Fee

The Clients will incur an administrative fee of .25% of an Investor's committed capital paid quarterly in advance to cover administrative costs pursuant to each respective Client's Governing Documents. The administrative fee is intended to compensate Karlov for the non-investment advisory, administrative services that it provides to each Client, including oversight of fund administration, tax, audit, legal and regulatory compliance services provided to each Client by third parties.

Contribution Fee

Each Investor in a Client will incur a one-time contribution fee of 1% of the subscription amount, charged initially upon submitting subscription documents. The contribution fee is an additional advisory fee and is intended to compensate Karlov for the services it performs in identifying, negotiating and performing due diligence with respect to the underlying investment(s) of each Client.

In addition to management fees, administrative fees and contribution fees, Karlov also is generally entitled to receive a performance-based carried interest as described in Item 6 below.

Fund Expenses

Through each Client vehicle, each Investor indirectly pays for its share of all costs and expenses, including but not limited to, organizational costs, legal, accounting, compliance, and other respective expenses which are disclosed in the respective Client's Governing Documents.

Neither the Firm, nor its affiliates or employees are expected to pay management fees or contribution fees, but they are responsible for paying administrative fees and indirectly their share of all costs and expenses, including but not limited to, organizational costs, legal, accounting, compliance, and other expenses which are disclosed in a Client's Governing Documents, in the same manner as all other Investors. Notwithstanding the foregoing, Karlov, in its discretion, has the ability to reduce or not charge carried interest, management fees, or contribution fees to an Investor, affiliate, or employee.

Karlov will allocate fees and expenses to be borne by the Clients in accordance with the Governing Documents or, to the extent the Governing Documents do not expressly provide for a method of allocation, as determined by the Firm in good faith and in its fair and reasonable discretion in accordance with its internal policies and procedures.

Please refer to the Clients' offering documents for further information regarding the fees and expenses of the Firm and the Clients.

Payments to Underlying Managers

In addition to paying management fees, administrative fees and contribution fees to Karlov and reimbursing Karlov for certain expenses as set forth in the respective Client's Governing Documents, Investors will indirectly pay, through Clients, their pro-rata portion of fees, expenses, organizational expenses and other operational costs, including carried interest, charged by the Underlying Funds in which each Client is invested. All such indirect fees and expenses noted above that are paid by Clients are as described by the governing documents of the Underlying Funds, all of which are made available to Investors at the time of investment. With respect to the Underlying Funds that are private equity funds, such Underlying Funds are also sometimes subject to a preferred return and General Partner catch-up, if applicable.

Loan Interest

Client entities typically do not retain significant amounts of cash to pay ongoing Client expenses, including management fees, operational expenses and other Client obligations. To the extent deemed necessary by the Manager, one or more affiliates of Karlov may, but shall not be obligated to, advance a Client any amounts necessary to fund expenses of the Client. Any such advanced amount will be treated as a loan ("**Loan**") to a Client. Each such Loan will accrue interest at a rate equal to the then-current market rate of interest that a third party would charge for such Loan, although the Manager may elect a lower interest rate as determined by the Manager in its sole discretion. The Manager may also elect to have a Client borrow funds from an unaffiliated third-party lender, which loan terms will be as negotiated with such unaffiliated third party lender, including, without limitation, the rate of interest that a third party would charge for such Loan. The Manager anticipates that few unaffiliated third party lenders, if any, will be willing to lend funds to Clients given the nature and illiquidity of the underlying investments.

Other Fees and Expenses

Depending on a Fund's investments, the Firm may enter into an agreement with one or more third parties to manage a Fund's investments, including, without limitation, investments in real estate-related equity or debt securities. The Firm will pay an annual fee to each third party for providing these services. The Manager will ensure that the amount of asset management fees payable by a Fund to a third-party for such services will offset the management fees for the respective Fund. The Firm may agree to limit the liability of any such third party as to any expenses, losses, damages, liabilities, charges, and claims of any kind or nature whatsoever arising out of the third party's performance of its obligations under the investment management agreement, except in the case where the proximate cause is judicially determined to be the intentional act, gross negligence or willful misconduct of such third party, to the extent that such exclusions can be negotiated with the third party.

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

Carried Interest is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act. Accordingly, Karlov seeks to ensure that Investors in the Clients that are directly or indirectly assessed Carried Interest satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

Generally, the Manager is entitled to receive a performance-based carried interest of 10% to 30% of each respective Client's distributable cash or other assets subsequent to Investors receiving a return of 100% of their invested capital, based on the performance of the Client. In some instances, the performance-based

carried interest can exceed these percentages based on reaching certain performance hurdles as outlined in the applicable Client's Governing Documents.

Distributions of proceeds from short-term investments (if any) and any other distributions not expressly contemplated shall be made equitably as determined by the Manager.

The specific provisions and calculation methods for the calculation, distribution, and allocation of carried interest are described in detail in each Client's Governing Documents.

Item 7. Types of Clients

The Firm provides investment advisory services to pooled investment vehicles exempt from registration under the Investment Company Act. Investors in the funds are generally deemed Qualified Purchasers as defined in Rule 80a-2 of the Investment Company Act and primarily include, but are not limited to, high net worth individuals, family offices, trusts and/or entities.

Interests in the Funds may be purchased by individuals and entities who are “**accredited investors**” as defined in Regulation D promulgated under the Securities Act of 1933 (“**1933 Act**”) and “**qualified clients**” (as defined in Rule 205-3 of the Investment Advisers Act of 1940), or “**knowledgeable employees**” as identified in the Investment Company Act.

Karlov does not have a minimum size for a fund, but the minimum investment commitment in a Client is generally \$50,000, which varies depending on the Fund. Karlov has the authority to individually waive, increase, or reduce the minimum investment required for any Investor in its sole discretion.

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

The Clients generally seek to achieve capital appreciation by investing in Underlying Funds which in turn invest in a range of asset classes, which may include real estate, lending, private equity, and growth equity, which Karlov believes offers significant opportunities for value creation. The Clients' investment strategy and methods of analysis, and the risks associated with an investment in each Client, including the risk of total loss of capital, are disclosed in the Governing Documents for each Client. Investors in a Client are also provided with the governing documents of the Underlying Fund in which the Client will invest, and Investors are strongly encouraged to review such documents in consultation with their financial and legal advisors.

Karlov is responsible for sourcing ideas, research, due diligence, and portfolio management. Karlov has a rigorous research and due diligence process to support investment allocations to Underlying Funds. Karlov uses both quantitative and qualitative methods to analyze the Underlying Managers.

Investment in the Clients involve a significant degree of risk, including the risk of financial loss, and may not be suitable for all Investors. Any Investor or potential Investor is strongly encouraged, in consultation with their financial and legal advisors, to evaluate the merits of an investment in a Client and determine whether they can bear the risk of loss of the entire investment. There can be no assurance that the Client will achieve its investment objectives or returns.

Set forth below, as well as in other items in this brochure, is a summary of some of the investment risks disclosed in greater detail in each of Clients' Governing Documents. Please refer to each of the Clients' Governing Documents for more information on these and other risks relating to Karlov's business and investments in a given Client.

General Investment Risks

An investment in each Client involves a high degree of risk. This following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to an Investor's decision to purchase an interest in a Client. Before deciding to invest with Karlov, prospective Investors are strongly encouraged to carefully consider all of the risk factors and other information in each Client's Governing Documents. Any description below is qualified in its entirety by the Governing Documents. Prospective Investors are encouraged to refer to the relevant Client's Governing Documents for a more detailed discussion of risk factors as applicable to each Client. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that the Clients will meet their investment objectives or otherwise be able to successfully carry out their investment program, or that an Investor will receive a return of capital.

Risks Involved in Private Investment Funds. Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each Client's offering documents, which are provided to each prospective Investor for review and consideration prior to investing. We strongly advise prospective Investors to engage legal and tax counsel to review the Client's Governing Documents prior to investing in any private investment fund. Investing in private investment funds is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors are strongly encouraged to carefully review and consider potential risks before investing. Some of these risks include loss of all or a substantial portion of the investment due to leveraging or other speculative practices. Additionally, Investors may experience volatility of returns, a potential lack of diversification, higher fees than mutual funds, and lack of information regarding valuations and pricing. Each prospective Investor is required to complete a subscription agreement for the Client itself, pursuant to which the prospective Investor shall establish that he/she is qualified for investment in the Client and acknowledges and accepts the various risk factors that are associated with such an investment.

No Assurance of Return of Capital. The Client's success depends on the ability of the Manager to identify and acquire appropriate investments. There can be no assurance that the Client will achieve its investment or performance objectives, including the identification of suitable investment opportunities and achievement of targeted returns, or that the Client will be able to fully invest all committed capital. The possibility of partial or total loss of the Client's and Investors' capital exists.

Investor's Capital Call Obligations May Extend Beyond Investment Period. The Client may call capital from Investors for any purpose consistent with the Client's Governing Documents including, without limitation, to fund any management fees and administrative fees and to fund the costs of establishing and operating the Client in the ordinary course of business such as tax return preparation costs, ordinary course legal fees and annual filing fees. Following the investment period, the Client may call capital to (i) satisfy fund expenses and obligations, (ii) complete investments that were in the process of being made prior to the expiration of the investment period and (iii) fund one or more follow-on investments. Accordingly, Investors in the Client must be prepared to fund their respective capital commitments to the Client over an extended period.

Manager as Sole Decision Maker on Behalf of Client. The Manager shall make all decisions on behalf of Client including, without discretion, all decisions regarding investments made by Client. For the avoidance of doubt, this discretion does not extend to any Underlying Fund investments held by the Clients, where applicable. The Manager is, in turn, controlled by Karlov Street Partners, LLC. All decisions of Client shall be made in the Manager's sole discretion. Investors shall have no right to participate in or challenge any decisions concerning the business or affairs of Client. Examples of such discretion include but are not limited to: (i) exercising (or waiving) all rights concerning the investments, including the voting and sale thereof, (ii) the timing and amount of distributions made by Client; (iii) the amount of reserves retained by

Client; (iv) the timing and manner of payment of expenses of Client; (v) the election of remedies upon any commitment default by an Investor; and (vi) pursuing and/or defending claims or litigation on behalf of Client. By investing in Client, each Investor is entrusting the Manager and its management team with the sole right and discretion to carry out the business of Client.

Manager Shall Have No Right to Make Decisions with regard to the Underlying Funds. The Manager shall have no right to control or influence the decisions of the Underlying Funds.

Key Personnel. The companies in which Client invests (or the companies in which the Underlying Funds invest) are likely to be highly dependent on their key personnel. The loss of services of these individuals could have a material adverse effect on a company's businesses and prospects. Furthermore, the performance and future success of such companies likely depends on their ability to attract, integrate and retain qualified technical and managerial employees. Compensation for managerial and technical employees is increasing and is expected to increase in the foreseeable future due to the competitive nature of the job market. There can be no assurances that the companies in which Client or the Underlying Funds invest will be able to attract, integrate and retain key managerial and technical employees. The inability to attract employees who are necessary to support the growth and technical expertise of such companies due to, among other things, a large increase in the compensation demanded by such personnel or the demands of outside obligations and commitments on their time, could have a material adverse effect upon such companies' businesses, results of operations and financial conditions.

Conflicts of Interest. The Manager and its affiliates, and each of their respective officers, directors, members, shareholders, managers, employees, independent contractors, agents and representatives (collectively, the "**Representatives**") are permitted to render services to Client and receive compensation therefor, and to enter into transactions with the Underlying Funds or their owners without having to offer such transactions to any Investors. Some of these services or transactions may give rise to conflicts of interest. The Manager is entitled to make all decisions on behalf of Client, in its sole discretion. Accordingly, service relationships or transactions involving Client or Investors, on the one hand, and the Manager or its affiliates (or their respective Representatives), on the other hand, may result in the Manager or its affiliates (or their respective Representatives) having more favorable terms compared to terms the Manager might demand if such services or transactions did not involve related parties. Moreover, Investors should be aware that the Manager has organized and/or may organize separate investment vehicles (such investment vehicles, "**Other Karlov Investment Vehicles**") which have invested, or may invest, in the Underlying Funds. The Manager believes that the interests of the Other Karlov Investment Vehicles, on the one hand, and the interests of Client, on the other hand, are aligned with one another. However, it is possible that the interests of one or more of the Other Karlov Investment Vehicles might diverge from those of Client. In any such event, the Manager is permitted to make decisions on behalf of the Other Karlov Investment Vehicles that are not necessarily in the best interests of Client, and conversely, the Manager is permitted to make decisions on behalf of Client that are not necessarily in the best interests of the Other Karlov Investment Vehicles. Lastly, the Other Karlov Investment Vehicles, the Manager, their affiliates and/or their respective Representatives may be offered the opportunity to participate in additional investments in the Underlying Fund (each such opportunity, a "**Sidecar Opportunity**"). The Manager is not required to offer any Sidecar Opportunity to Investors and if it decides to offer such Sidecar Opportunity to any Investor, to the extent it is permitted to do so, it may first offer such Sidecar Opportunity to only certain Investors. In the event an opportunity to invest in a Sidecar Opportunity is made available to any Investor, the terms of such Sidecar Opportunity shall be determined by the Manager, in its sole discretion.

Enhanced Scrutiny and Additional Regulatory Risks. Following global market volatility and dislocations, financial institution failures and financial frauds in recent years, governmental authorities in the United States and elsewhere have called for financial system and participant regulatory reform, including additional regulation of investment funds (which could include the Clients and Underlying Funds), their

managers (such as the Manager) and their activities, including compliance, risk management and anti-money laundering procedures; restrictions on certain types of investments; restrictions on the provision and use of leverage; implementation of capital requirements; and books and records, reporting and disclosure requirements. The ultimate effect of government actions cannot be predicted, but these regulatory reform measures could cause the Client to incur significant expense to comply with such measures. Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the United States or outside of it, could further increase the cost of acquiring, holding or divesting investments and the cost of operating the Client, as well as harm the profitability of enterprises and interfere with the ability of the Client to engage in certain transactions.

Cyber Security. The information technology systems of Karlov, the Manager, the Clients, and/or their respective affiliates (including the Underlying Funds) may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events (including fires, tornadoes, floods, hurricanes and earthquakes). To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company could be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or apparent failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Client or Underlying Fund to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Karlov, the Manager, the Client and/or one of their respective affiliates and/or one of their respective service providers holding its financial or Investor data, Karlov, the Manager, the Client and/or one of their respective affiliates may also be at a risk of loss despite efforts to prevent and mitigate such risks under the applicable policies.

Business Continuity and Disaster Recovery. Client's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although the Client has implemented various measures to manage and mitigate risks relating to these types of events, there can be no assurances that all contingencies are accounted for. If such business operations are disrupted or suspended for extended periods of time, the Clients and its investments may be adversely affected.

Public Health Emergency Risks. The recent global outbreak of the novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, and restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Similar public health emergencies may occur in the future and are expected to negatively impact global economies as shown by the impact of the COVID-19 pandemic. Although the long-term economic fallout of COVID-19 is difficult to predict, COVID-19 and similar public health crises have contributed and are expected to continue to contribute to market volatility. It is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may materially and adversely affect the Clients' investments. Public health emergencies could affect the ability of the companies in which the Clients are invested to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out such companies' and the Clients' investment strategies and objectives. In addition, the Clients' personnel and personnel of critical service providers to the Clients, the Underlying Funds or the companies in which the Clients are invested may be directly impacted by the

spread of public health emergencies, including COVID-19, both through direct exposure and exposure to family members, which could impact the Clients' ability to satisfy its obligations to the Investors, and pursuant to applicable law. The spread of COVID-19 or a similar public health emergency among Karlov's or the Manager's personnel has the potential to significantly affect Karlov's and/or the Manager's ability to properly oversee the affairs of the Clients (particularly to the extent such impacted personnel include key investment professionals or other members of senior management).

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, currency and exchange rates, industry conditions, competition, technological developments, trade relationships, supply-chain disruptions, economic sanctions, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the investment performance of Clients. Economic, political and financial conditions, or industry or economic trends and developments, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets. Economic or political turmoil, a deterioration of diplomatic relations or a natural or man-made disaster in a region or country where Clients or Underlying Funds are invested may result in adverse consequences to such Clients. None of these conditions are or will be within the control of the Client, and no assurances can be given that the Client will anticipate these developments.

Investment-related Risks

General Risks. An investment in a Client will subject Investors to risks incident to the ownership of private investment funds, including: changes in general or local economic conditions; changes in valuations in industries from time to time; risks posed by inflation or deflation; risks posed by interest rate changes; risks posed by litigation and uninsurable losses; risks posed by pandemics and other health and safety risks beyond the control of a private investment fund; increases in operating costs; risks posed by dependence upon labor personnel; risks posed by shortage of supplies or dependence on certain key suppliers or vendors; risks posed by inclement weather; changes in tax laws and rates; and changes in the laws and regulations.

Lack of Liquidity of Interests. Certain investment securities will not be registered under any federal or state securities law and will not be freely transferable. An investment in a Client should be viewed as a long-term investment with little likelihood that any immediate disposition or transfer will be possible, even in the event of an emergency or a change in personal circumstances.

Proforma Financial Models. Any proforma financial models that have been prepared by Client or an Underlying Manager have been prepared based on information provided and assumptions made by the Client or such Underlying Manager, as the case may be, and are for the purpose of illustration only and are not an estimate or prediction of future results. Also, Investors should understand that any financial models or materials prepared by the Client with regard to any investment will necessarily derive from materials prepared or provided by the sponsor of such investment, and therefore, any financial models or materials prepared by the Client are subject to assumptions, projections, errors and/or omissions inherent in the materials received by it. *THERE CAN BE NO ASSURANCE THAT ANY SUCH PROFORMA FINANCIAL MODELS REFLECT ACTUAL FUTURE EVENTS OR THAT THE RESULTS SHOWN THEREIN WILL BE OBTAINED.* The assumptions with respect to any such pro forma financial models should be carefully reviewed by each prospective Investor and its representatives. Neither the Client, Karlov, the Manager nor their respective advisers, nor any other person or entity makes any representation or warranty that the results shown in any proforma financial models will be realized.

No Assurance of Return of Capital. The success of Client depends on the ability of the Manager to identify and acquire appropriate investments. There can be no assurance that Client will achieve its investment or performance objectives, including the identification of suitable investment opportunities and achievement

of targeted returns, or that Client will be able to fully invest all committed capital. The possibility of partial or total loss of Client's and the Investor's capital exists.

Failure of Other Investors to Fund their Financial Obligations to Client. For Clients where capital calls are required to be made, there is no assurance that all Investors will satisfy their respective financial obligations to Client. To the extent one or more Investors does not satisfy its or their respective financial obligation to the Client, Client will need to source substitute funding, failing which Client could be at risk of defaulting in its financial obligations to an Underlying Fund. Any such default could expose Client to severe consequences pursuant to the terms of an Underlying Fund's governing documents including, without limitation, forfeiture of all or a portion of Client's interest in such Underlying Fund. If any of the Investors fail to satisfy their respective financial obligation to Client, the Manager expects to call capital from other non-defaulting Investors in order to fund such deficiency, which will require such other Investors to have to fund their respective capital commitment sooner than they otherwise would have absent such default. There is no assurance that Client will recover the full amount of any unpaid financial obligation from any defaulting Investor, which could create a shortfall in Client's financial commitment to an Underlying Fund. There is no assurance that Client could secure alternative funding to cover such shortfall. If Client is not able to source substitute funding to cover such shortfall, Client would be at risk of defaulting on its financial obligations to an Underlying Fund and/or preclude Client from thereafter making additional investments. Any such default could expose Client to severe consequences pursuant to the terms of an Underlying Fund's governing documents including, without limitation, forfeiture of all or a portion of Client's interest in such Underlying Fund.

Unpredictability of Returns. Although Investors expect to receive a return on their investments, such return may never be paid. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Furthermore, the expenses of operating a Client may exceed its income, thereby requiring the difference be paid from the Client's capital. While the Manager intends to identify and make investments that have potential returns commensurate with the risks undertaken, there can be no assurance that the targeted returns will be achieved. On any given investment, and on all investments, total loss of the investment is possible.

U.S. Tax Risks. Investors should review the tax implications in the Client's offering documents. However, these documents alone may not address all tax considerations relevant to a particular Investor in light of their particular circumstances and the consequences to Investors of an investment in the Client are complex. Accordingly, each prospective Investor is advised to consult its tax counsel as to the specific tax consequences of an investment in the funds based upon its particular circumstances.

Lack of Liquidity of Investments; Dependence on Underlying Funds for Liquidity Events and Cash Flow. Client investments will generally be illiquid. For each investment, Client will likely be dependent upon the relevant Underlying Fund for a liquidity event, and the amount of investment proceeds generated by any such liquidity event. In addition, Investments that are intended to generate current cash flow may not generate cash flow immediately and circumstances may develop which cause projected cash flow to be less than anticipated.

Financial Prospects Subject to Risks Commonly Applicable to Private Equity, Venture Capital, Lending, Real Estate and Similar Investments. The capital invested in a Client may be invested in private equity backed companies, venture capital opportunities, lending opportunities and/or real estate projects. Such investments are subject to various risks including risks attributable to substantial reliance upon due diligence conducted or presented by private equity, venture capital or real estate sponsors (and associated limitations posed by such due diligence); risks posed by highly levered companies (particularly in the case of private equity and real estate companies); risks attributable to sponsors potentially having conflicts of

interest; and risks posed by potentially not having the right to exit an investment at the most favorable time or under the most favorable conditions.

General Economic and Market Conditions. The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and inflation, and the extent and timing of Investor participation in the markets for both equities and interest-sensitive securities. The ability of a Client to successfully exit and achieve liquidity on its investments is dependent in large part on the condition of and valuations available in the public equity markets and valuations available in private negotiated transactions at the time, neither of which can be projected with any certainty.

Risks of Real Estate-Related Investments. A Client may make investments in real estate projects (or loans secured by real estate). Such investments will be subject to the general risks inherent in the operation, ownership and sale of real estate, such as occupancy rates, control of operating expenses, collection of rents, and changes in sales market and rental rates. The success of these types of investments will depend in part on the ability of the underlying managers of these investments to deal with problems arising from causes beyond its control, such as the sales market, affiliations with resources for leasing and licensing of the volume required by these properties, the demand for space, tax changes, general and local economic conditions, energy supplies, local employment, managing operating expenses and so forth. Also, to the extent these investments involve healthcare related properties, these investments will be particularly susceptible to changes in the healthcare industry and the insurance industry, including with respect to reimbursement of medical costs and regulatory issues. High interest rates, shortages of mortgage funds and the sale prices of competitive properties may render the sale or refinancing of these investments difficult or may require the Client (or an Underlying Fund) to extend mortgage financing to a buyer and assume the credit risk associated therewith.

Construction Risks. Some of a Client's investments may involve the renovation or development of real estate or the financing thereof. Renovation and development is subject to a variety of risks, including availability and cost of materials and labor, delay in construction schedules, cost overruns and price increases, permit requirements, work to procure necessary licenses and occupancy permits, changes in applicable codes and ordinances, unanticipated work due to latent building conditions, environmental problems and other factors. In addition, the construction of buildings (or portions thereof) may involve risks of construction defects, such as design defects, inadequate construction plans and specifications, poor workmanship or defective materials. Correction of serious defects can be costly and time consuming. Construction delays may result from labor disputes, adverse weather conditions, governmental orders or delays, unavailability of materials or labor, insolvency of contractors or subcontractors, pandemic and/or health and safety concerns, supply chain shortages or other factors. Protracted delays could adversely affect the anticipated level of revenues from operations and could cause an investment to fail to meet its financial obligations. These risks, if realized, may substantially delay and increase the cost of construction and may materially and adversely affect the economic return to Karlov and its Investors.

Environmental Risks. Federal and state environmental laws impose substantial liability on owners of real property which is contaminated with hazardous substances. There can be no assurance that investments made by Client involving real estate will not incur liability under environmental laws resulting from prior uses of the land underlying the properties or other causes. Any such liability could negatively affect the economic return to Investors.

Lending-Related Risks. Some of the investments made by Client may involve companies engaged in commercial or consumer lending. Lending operations are subject to a variety of risks including interest rate and currency fluctuations, liquidity considerations and effective underwriting of credit. The success of these investments will depend in large part on the ability of the underlying managers of these

investments to manage these issues, many of which will be beyond their control. Any such companies engaged in commercial or consumer lending also will be subject to extensive federal and state regulation and oversight (which regulations may change from time to time), including with respect to the syndication of credit, reserve requirements and lending criteria, and consumer class litigation risks, including class action cases. In the case of an economic downturn, these companies also may suffer substantial losses based on changes in demand and due to the impairment or write down of loans. In such circumstances, these companies also may incur substantial costs associated with managing their credit risk, including with respect to monitoring such loans and legal fees and expenses associated with exercising their rights and remedies.

Product Recall. Some of the investments made by Clients may involve companies that sell consumer products and/or foods or beverages. These companies could be adversely affected if a recall of any of their products were mandated, requested or threatened by any governmental agency or if these companies recall any of their products on their own initiative. In addition to the monetary costs of such recalled products, claims may be made against such companies alleging personal injuries or damages caused by or arising out of the use of their products which could subject these companies to liability, reduced sales and litigation related expenses. Such recalls may also adversely impact the reputation of such companies and their products.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of Karlov or the integrity of the Karlov's management. Karlov has no such legal or disciplinary events to disclose.

There have been no legal or disciplinary events to disclose that are material to an Investor's or prospective Investor's evaluation of Karlov's advisory business or integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Karlov is not registered, nor does it have an application pending to register, as a broker-dealer. Neither Karlov nor any management persons are registered, nor 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.

Item 11. Code of Ethics, Participation or Interests in Client Transactions & Personal Trading

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Karlov has adopted a Code of Ethics (referred to in this brochure as the "**Code**") to ensure that the Firm fulfills its role as a fiduciary to the Clients. The interests of the Clients must always be recognized, respected, and have precedence over those of the Firm's employees. The Code requires that the Firm's employees act in the best interests of the Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. Karlov's employees are also required to comply with applicable provisions of federal securities laws and make prompt reports 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 personnel. The Code requires that personnel pre-clear certain private personal securities transactions, report personal securities transactions in accordance with the Code on at least a

quarterly basis, and submit reports to the Firm regarding personal accounts and reportable securities holdings at least annually.

The Code also addresses certain additional matters that may present conflicts of interest between Karlov and its Clients, as well as matters such as the pre-clearance and reporting of political contributions. Employees are required to provide an annual written certification to the Firm as to their understanding of the Code's requirements and agreement to comply with the Code. Karlov will provide a complete copy of the Code to any Investor or prospective Investor upon request.

Participation or Interest in Client Transactions

Karlov serves as the investment advisor to the Clients. Affiliates of Karlov and such affiliates' and Karlov's Representatives, affiliates of such Representatives, and relatives of such Representatives may make investments in the Clients. Karlov has the discretion to waive or reduce management fees, administration fees, performance fees, contribution fees, and other fees as determined by the Firm with respect to any Investor. Each Underlying Manager is responsible for making portfolio investments for any fund it manages. Neither Karlov nor the Clients have any discretion or control over an Underlying Manager's investment decisions.

Item 12. Brokerage Practices

As an adviser to Clients, Karlov does not make investments in securities listed on national exchanges. However, there may be situations where a Client receives a listed security from an Underlying Fund as an in-kind distribution and needs to place a trade(s) through a broker in order to sell such securities. In such circumstances, the Firm will seek best execution in light of the circumstances involved in the transactions. In selecting a broker for any transaction, Karlov will consider a number of factors, including, for example, a broker's reputation, net price or spread, reputation, financial strength, and stability, market access, efficiency of execution and error resolution, and the size of the transaction. The Firm will not be obligated to obtain the lowest commission or best net price for a Client in any particular transaction.

Item 13. Review of Accounts

Each Client's investments are reviewed on an ongoing basis by Karlov for conformity with the investment objectives and guidelines.

Each Investor generally receives reports in accordance with the terms of the applicable Client's Governing Documents. Additionally, each Investor will receive the particular Client's audited financial statements for which they are invested, within 180 days of such Funds' fiscal year end for fund-of-fund Clients, and 120 days for private equity Clients.

Investors are furnished with tax information annually, along with the audited financial statements for each respective Client. Additionally, Investors can access their individual investment information via the Firm's investor portal at any time.

Item 14. Client Referrals and Other Compensation

Karlov does not utilize any third-party marketers or solicitors as of the date of this filing.

Item 15. Custody

Advisors with custody of client funds and securities must maintain them with Qualified Custodians unless such advisors have custody of only certain privately offered securities as defined in Rule 206(4)-2(b)(2) of the

Advisers Act. Qualified Custodians under the amended rule include banks, savings associations, and registered broker dealers. Advisors to fund-of-funds, which certain Clients are categorized as, comply with the custody rule by: (i) having each Client audited at least annually by an independent registered public accounting firm which is registered with the public company accounting oversight board; and (ii) distributing audited financial statements prepared in accordance with generally accepted accounting principles to all Investors (or members or other beneficial owners) within 180 days of the end of the fiscal year of the Client. For Clients that are not deemed fund-of-fund pooled investment vehicles, audited financial statements are provided within 120 days of fiscal year end.

Item 16. Investment Discretion

Karlov has discretionary authority to make investment decisions for the Clients. Generally, authority is limited by each Client's investment guidelines and other terms contained within the Client's Governing Documents. Karlov does not have investment discretion over the Underlying Funds.

Item 17. Voting Client Securities

Karlov's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Client will be placed in a position of proxy voting authority.

However, should the Firm receive and/or invest in public securities, the Firm has adopted proxy voting policies and procedures pursuant to regulations. The Firm's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Clients including where there may be material conflicts of interest in voting proxies. If relevant, Investors may request information from Karlov about how securities were voted. Lastly, if requested, Karlov will provide a copy of its proxy voting policies and procedures.

Item 18. Financial Information

Karlov typically does not require or solicit prepayment of fees more than six months in advance. To the extent that Karlov does require advance prepayment of fees that would be due more than six months after such requested prepayment, these fees are held as a reserve in each Investor's account until payable to Karlov.

The Firm is not aware of any financial conditions that would be reasonably likely to impair Karlov's ability to meet contractual commitments to its Clients.

The Firm and its affiliates have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

Karlov is not required to register with any state securities authority. Therefore, Item 19 is not applicable.