

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Cayetano Development, LLC (hereinafter “Cayetano” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (512) 600-3119 or at mhampton@cayetanodevelopment.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Cayetano is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Cayetano is 290076. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Item 2 Material Changes

The date of the last annual updating amendment to this Brochure was March 31, 2023. Since the filing of the last Brochure, the Adviser has made the following changes to its Brochure:

Item 4, Advisory Business – This item was revised to update the Adviser’s regulatory assets under management and to reflect a newly-established private fund.

Item 8, Methods of Analysis, Investment Strategies and Risk of Loss – This item was revised to update disclosure about Epidemics, Pandemics, and Public Health Issues.

This Brochure is not:

- **an offer or agreement to provide advisory services to any person;**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any Fund (as defined below); or**
- **a complete discussion of the features, risks or conflicts associated with any Fund.**

As required by the Advisers Act, the Adviser provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors with other relevant governing documents such as a private offering memorandum. Although this publicly available Brochure describes investment advisory services and products of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about the products offered by the Adviser are included in the relevant governing documents of such products, certain of which may be provided to current and eligible prospective investors. To the extent that there is any conflict between information provided herein and similar or related information provided in any governing documents, the relevant governing documents shall govern and control.

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Item 4. Advisory Business

Cayetano Development, LLC (“Cayetano”) is an SEC-registered investment adviser with its principal place of business in Austin, Texas. Cayetano has been in business since 2016, with predecessor entities dating back more than 30 years. The firm’s registration with the SEC does not imply any particular level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services. Kyndel W. Bennett and Matthew J. Long are current principal owners.

Cayetano provides investment management services to Private Equity Funds (hereinafter collectively, “the Funds”). Unlike other types of private funds, such as hedge funds, private equity funds receive unfunded capital commitments from investors during one or more initial fundraising stages, after which the funds are generally closed to new investors. The fund manager will then call on investors to make capital infusions (each a “drawdown”), based on their commitments, to support the Fund’s investments once those investments have been identified and are in the process of being developed.

Cayetano manages Private Equity Fund investments in real estate interests. Cayetano develops purchased land into residential lots and markets and sells them to families that would not qualify for conventional bank loans. For each Fund, Cayetano generally performs property identification, track development, marketing, mortgage origination and mortgage servicing functions.

Cayetano leverages its industry knowledge and contacts to identify investment opportunities for the Funds. Cayetano may also identify additional opportunities for similar or different types or levels of equity investments for one Fund in portfolio companies held by other Cayetano Funds or those companies’ affiliates. The investment objective of the Funds is to seek long-term capital appreciation over the course of each Fund’s term, generally twenty years from the final closing, subject to the terms of the specific real estate mortgage notes.

The Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

ASSETS: As of December 31, 2023, Cayetano had approximately \$ 527 million in discretionary assets under management. Cayetano does not manage any assets on a non-discretionary basis.

IMPORTANT ADDITIONAL CONSIDERATIONS: The information provided herein merely summarizes the detailed information provided in each Fund’s offering and organizational documents. Most of the Funds are closed and are not admitting new investors. Current Fund investors and prospective investors in any new Fund launched by Cayetano should be aware of the substantial risks associated with investment as well as the terms applicable to such investment. This and other detailed information is provided in the appropriate Fund offering and organizational documents.

Item 5. Fees and Compensation

For our services to the Funds, the firm generally charges fees as described below.

Management Fees and Allocation:

Cayetano and its affiliates charge management fees to each Fund as described in each Fund's governing documents. Typically, each Fund has development fees, construction management fees and loan servicing fees. The development fees are based on a dollar amount per subdivided lot developed out of the respective property developed through each fund. The construction management fees are payable to the respective Funds' general partner based on the percentage of completion of the development of the property. The timing of fee payments is set forth in the relevant Fund's governing documents. The development fee and the construction management fee are payable to the respective Funds' general partner on a monthly basis, pro rata based on the percentage of completion of the development of the property. For example, when the development of the property as a subdivision is 50 percent complete, the aggregate monthly payments to the general partner is 50 percent of the total agreed upon development fee and the construction management fee.

Loan servicing fees are calculated monthly by the Accounting Team and reviewed and approved by the Chief Compliance Officer in his capacity as Chief Financial Officer. The loan servicing fees are based on a predetermined dollar amount per mortgage note receivable originated from the sale of the subdivided lots out of the respective property developed through each fund. The loan servicing fees are paid to the respective Funds' general partner on a monthly basis. In addition, Management fees may be waived or reduced for any investor, at the general partner's discretion.

Carried Interest

Subject to the specific provisions contained in each Fund's governing documents, in addition to the payment of management fees, the Funds (and indirectly the investors in such funds) are required to pay to the applicable general partner performance-based compensation in the form of carried interest with respect to distributions to be made to investors in the applicable Fund. Carried interest is allocated and paid pursuant to a distribution waterfall typically after investors based on distributable property/investor loans, as described in Fund governing documents. Generally, until the distributable property/investors loans have been paid in full, 90 percent of all distributions of cash (100 percent for certain funds of earlier vintage) or other property are made to investors to be applied against the accrued interest and principal of the investors loan. Thereafter, 100 percent of the distributable property is distributed to the investors on a pro rata basis in accordance with the investor's then current percentage of interest in the Fund.

Limited Partners should refer to the appropriate Fund offering documents for detailed information regarding fees and fee offsets. It is also important to note that any new Fund launched by Cayetano may have similar or materially different terms than those summarized above.

Other Fees, Expenses and Off-Sets

Since Cayetano also serves as the developer, general contractor, construction manager, mortgage originator and loan servicer, it typically charges the following additional fees:

Paid by the Funds:

Per lot sales commission fee

Paid by Customer:

Per lot closing fee

GENERAL INFORMATION:

Investments in Funds: The General Partner for each Fund is affiliated with Cayetano through common ownership and control as well as shared executive officers. The General Partner of each Fund and/or the principals of Cayetano will generally participate in the Fund's investments by investing assets directly in the Fund.

Investors must understand the proposed method of compensation and its risks prior to investing in any of the Funds. Prospective investors in any new Fund launched by Cayetano should refer to the appropriate Fund offering and organizational documents for information regarding the fees charged by Cayetano, as the fees and off-sets may differ materially from the description contained herein and from fund to fund based on the purpose and circumstances of each fund.

Lock-Up: Except as set forth in the applicable Fund's offering documents, an investor in any one of the Funds generally may not rescind any part of its capital commitment or otherwise withdraw from any of the Funds. Private Equity Fund investing is for those who can afford to have capital locked up for long periods of time and who are able to bear the risk of significant losses.

Investors in each Fund should refer to the appropriate Fund's partnership agreement and offering documents for complete information regarding lock-ups and penalties or other consequences for failure to observe capital calls made by the Fund.

Side Letters: Cayetano, or each Fund's General Partner, as appropriate, may waive or modify certain terms of investment for certain large or strategic investors, in side letters or otherwise.

Allocation of Fees and Expenses: As a fiduciary to the Funds, Cayetano seeks to act in the best interest of the Funds at all times. Among other things, this includes responsible stewardship of the Funds' assets. To the extent reasonably possible, therefore, Cayetano seeks to keep Fund costs reasonable and to avoid unnecessary or excessive expenses. In addition, Cayetano seeks to ensure that any expenses allocated to the Funds and portfolio investments of the funds include only those expenses actually incurred by the Funds or relevant portfolio investments.

Expenses and fees that may be incurred by the Funds and portfolio investments are generally

described in the Funds' offering documents and summarized in this Form ADV, Part 2A. In general, Cayetano may not allocate any expense to a Fund or a portfolio investment where such expense has been explicitly prohibited by the Fund's organizational and offering documents. Moreover, for any payments enuring directly or indirectly to the benefit of Cayetano or any of its related persons, Cayetano will follow the following procedures:

- Ensure that the compensation paid is fair in relation to the scope of the job's responsibilities;
- Ensure that the entities or individuals retained have sufficient expertise and qualifications to provide the services being contracted for;
- Engage in continuous monitoring to ensure that services contracted for are provided in full;
- Disclose to investors that retention of related persons or entities for nonmanagement services on behalf of the funds or portfolio investments constitutes a conflict of interest and describe how such a conflict of interest is mitigated; and
- Seek investor and/or Fund advisory board approval (if an advisory board has been created) for any conflicts that cannot be effectively mitigated or eliminated.

For each expense allocated to the Funds or a portfolio investment, an invoice will be submitted. Expenses will be reflected on the books of the appropriate Fund or its affiliate, as appropriate. Cayetano's designee will review invoiced expenses and the methodology used to allocate among Funds or portfolio investments, as applicable. The methodology used to allocate expenses among Funds will be documented at the time of the allocation.

Cayetano instructions to pay fund expenses (audit, legal, etc.) must be supported by an invoice.

When in doubt, Cayetano will review disclosures regarding expenses as provided to applicable Fund investors through offering memoranda, Form ADV or otherwise and compare these to expenses actually charged to ensure that each expense is authorized and appropriately disclosed.

A Cayetano designee will periodically review expense allocation methodologies amongst the Funds and accounts to ensure that each Fund only assumes expenses attributable to its activities, and that those allocations are properly documented.

General: Prospective investors should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Fund(s).

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

As we disclosed in Item 5 of this Brochure, after reaching a specified watermark, Cayetano's compensation allocation will increase, a form of performance-based profits interest.

Investors in the Funds, and prospective investors in any new Fund launched by Cayetano, should note that performance-based profits interest, in some contexts, can create an

incentive for an adviser such as Cayetano to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, the long term nature of private equity fund investing mitigates such risk because the increased payment allocation is calculated based on realized, not unrealized gains, leading Cayetano to carefully consider the risk – reward relationship when making investments.

In theory, we could have incentive to favor a Fund paying higher aggregate performance-based compensation than one paying less or none at all, or a Fund in which officers and employees of the firm and General Partner may have more of their personal assets invested. Since we endeavor at all times to put the interest of the Funds first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. Currently, most funds are created to invest in one specifically-identified property interest.
2. We disclose to investors and prospective investors the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some Funds than others;
3. We collect, maintain and document required investor background information to ensure that investors are qualified to invest in each Fund.
4. With respect to any cross-fund investments, if any should occur in the future, where guidelines are not provided in the Funds' Limited Partnership Agreement, the General Partner seeks the consent of the applicable Funds' Advisory Boards to the transaction; and
5. We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

Item 7. Types of Clients

We provide investment management services to a number of private equity funds.

Except as was permitted by us or the appropriate Fund General Partner, in accordance with the appropriate Fund's offering documentation, the minimum required aggregate capital commitment to the Funds is clearly identified in the Funds' offering and organizational documents. The size of our future funds may be smaller or larger than these historical amounts.

Prospective investors in any new Fund launched by Cayetano should refer to the appropriate Fund offering documents for information regarding that Fund's minimum required capital commitment and any additional qualifications required for investment.

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

As adviser to the Funds, our firm primarily, though not exclusively, invests in real estate

projects which are converted into senior notes secured by mortgage loans and real estate. As such, traditional securities analysis is not possible when formulating investment recommendations. Instead, we rely on our due diligence process and investment judgment to determine which prospective projects to invest in on behalf of the Funds.

However, investors must be aware that due diligence is different with each project and the available information and speed with which decisions must be made can vary greatly.

Cayetano typically employs a disciplined investment process in evaluating potential investments and generally performs rigorous analysis of the historical and prospective performance of potential projects. Our due diligence investigation generally includes: (a) financial and operational analyses; (b) interest rate environment; (c) target market and land location; (d) demographic composition of the immediate and neighboring areas.

Our due diligence process involves our senior management and additional Cayetano professionals. Cayetano has a network of lawyers, accountants, information technology, and due diligence professionals and consultants who generally work in tandem with Cayetano to advise on certain Fund investments.

Risks of Long-Term Investing through Private Equity/Private Debt Funds: One of the primary risks of a long-term investment strategy is that, if our predictions are incorrect, a security may decline sharply in value. This risk is particularly pronounced when investing for the long term in privately issued securities due to the absence of an immediate and liquid market for these investments. Any sale of such interests will typically take some time to complete. The project or the entire industry may behave in ways which were not, and in some cases could not have been predicted, leading to significant losses and/or a lack of any attractive exit option.

Risks in General: Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the detailed explanation of the many risks associated with investment as provided in the appropriate Fund's offering memorandum.

Portfolio Strategy Risks

The Fund's Investments May Not Be in the Best Interests of Some Limited Partners.

The Fund has a diverse range of limited partners that may have conflicting interests that, in turn, stem from differences, among others, in investment preferences, domicile, tax status and regulatory status. The Investment Committee will attempt to consider the objectives of the Fund as a whole when making decisions with respect to the selection, structuring and sale of portfolio investments, but it is inevitable that such decisions may be more beneficial for some limited partners over others.

The Fund May Not Achieve Results Similar to Past Performance.

There can be no assurance that the Fund's returns will approach the individual or collective performance of the Founder that was achieved in the past or that was experienced by the Investors in other businesses or transactions managed or initiated by the Founder or any Investment Team member. The loss of all or a portion of the amount invested in the Fund's

investments is possible.

The Fund's Investments Are Subject to Certain Industry Risks and Lack Diversification.

The Fund focuses on private equity investments. These types of investments may be subject to a variety of factors that may adversely affect their business or operations, including, without limitation, local, national, and international economic conditions; the supply and demand for business services and access to such services; financial condition of users and suppliers of materials and services; changes in interest rates and availability of funds which may render the purchase, sale or refinancing of assets difficult or impractical; changes in laws and regulations and other governmental rules; environmental, social and governance developments; risks related to reliance on third-party management teams; construction and real property ownership risks; inflation and changes in labor costs; changes in fiscal and monetary policies; economic developments that depress travel; uninsured or under-insured losses or casualties; unplanned interruptions caused by catastrophic events, force majeure acts, terrorist events and other factors which are beyond the reasonable control of Cayetano.

Private Fund Risks

Limited Partners' Interests in the Fund Have Limited Transferability.

Limited partners may not sell, assign or transfer their interests (other than to an affiliate, subject to the requirements set forth in Fund Governing Documents) without the prior written consent of the General Partner of the applicable Fund, which consent is subject to staying within a safe harbor so that the Funds will not risk being deemed “publicly traded partnerships.”

The Funds Invest in Illiquid Securities with a Limited Secondary Market.

The Fund is closed-ended. Most investments made by the Fund initially will not have a readily available public market. In addition, the transferability of certain investments may be restricted under the terms of the underlying portfolio companies' governing documents.

General Investment Risks

Economic and Market Conditions.

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws, trade barriers, currency exchange controls, supply chain disruptions, sanctions, and national and international political conditions. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's assets. Volatility or illiquidity could impair the Fund's profitability or result in losses. The capital markets have experienced great volatility and financial turmoil, including, without limitation, following the COVID-19 outbreak and the recent outbreak of war between Russia and Ukraine. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature – including sanctions) may have a negative effect on market conditions. General fluctuations in the market prices of investments and economic conditions generally may affect the Fund's ability to make investments. Instability or volatility in the markets and economic conditions generally (including during periods of

high inflation and/or a slow-down in economic growth) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the investments.

Regulatory Risks.

The Fund relies on various exemptions from federal and state statutes and rules, such as the U.S. Employee Retirement Income Security Act of 1974, as amended, the Investment Company Act, the Securities Act and the Commodities Exchange Act, to operate without having to register under such statutes and rules. Loss of any such exemption, or a change in these or any other rules and regulations, such as those promulgated under the Advisers Act and the U.S. Internal Revenue Code, could impact a Fund's ability to continue to operate as it currently does.

Additionally, the Firm is subject to regulation under the Advisers Act. The SEC has intensified its focus on private fund advisers and periodically examines advisers to assess their compliance with Advisers Act requirements. Any examination findings of the SEC staff may impose new costs or require changes in the Firm's current or planned business operations. The Firm's failure to comply with the Advisers Act or other regulatory requirements could lead to, among other remedies, administrative enforcement actions and legal proceedings.

Tax Considerations.

An investment in the Fund may involve complex U.S. or international income tax considerations that will differ for each Investor. Under certain circumstances, Investors could be required to recognize taxable income in a taxable year, even if the Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income.

Conflicts of Interest.

Fund investments may be subject to various conflicts of interest, including conflicts between Portfolio Companies, conflicts related to co-investment allocations or co-investors in specific companies, conflicts between various Fund Investors, and conflicts related to fees and expenses, or other conflicts between Cayetano and the Fund.

Force Majeure & Catastrophic Risks

The Firm, the Fund and portfolio companies may be subject to operational risk from unforeseeable and uncontrollable catastrophic events, including fires, floods, earthquakes, adverse weather conditions and related power outages, water shortages or other damage caused by such events, changes in law, eminent domain, wars, riots, terrorist attacks, and other similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in loss and litigation, among other potentially detrimental effects. Certain force majeure events could have a broader negative impact on the world economy and international business activity generally. In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the European Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services

or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact the Funds' or any portfolio investment's business, financial condition and results of operations.

Epidemics, Pandemics, and Public Health Issues

The Firm's business activities as well as the Fund and its operations and investments could be adversely affected by the outbreaks of epidemics globally and in the United States, such as CoronaVirus, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Specifically, CoronaVirus, or COVID-19 spread rapidly around the world and negatively affected the global economy and the stock market. The transmission of COVID and efforts to contain its spread resulted in travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention revised its guidance, travel restrictions were lifted, and businesses reopened. However, the extent to which our investment strategies will be impacted by future epidemics and pandemics will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Future pandemics could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks. An outbreak or recurrence of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the business, financial condition and operations of the Firm, the Fund and portfolio companies.

Financial Institution Risk; Distress Events.

An investment in the Fund is subject to the risk that banks, brokers, hedging counterparties, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's assets fail to timely perform their obligations or experience insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Firm, the Fund may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (FDIC), in the case of banks, or the Securities Investor Protection Corporation (SIPC), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years

governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Fund and its investments and on the ability of the Firm, the Fund and portfolio companies to maintain operations, which in each case could result in significant losses. Such losses have the potential to include a loss of funds and the inability of Fund to acquire or dispose of investments or acquire or dispose of such investments at prices that the Firm believes reflect the fair value of such investments. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Fund will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). Although the Firm expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Fund is subject to similar risks if a Financial Institution utilized by Investors in the Fund or by suppliers, vendors, service providers or other counterparties of the Fund becomes subject to a Distress Event, which could have a material adverse effect on the Fund.

A Financial Institution may require, as a condition to using its services (including lending services), that the Firm, the Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although the Firm seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their obligations to the Fund, the Firm is under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts.

Additional Risks related to Real Estate Fund investing:

Factors which could affect investment results include, but are not limited to, any or all of the following: changing environmental regulations, adverse use of adjacent or neighboring real estate, changes in the demand for or supply of competing lots, local economic factors which could result in the reduction of the fair market value of the lots, uninsured losses, significant unforeseen changes in general or local economic conditions, inability to obtain any required permits or entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all, inability to obtain the services of appropriate consultants at the proposed cost, changes in legal requirements for any needed permits or entitlements, problems caused by the presence of environmental hazards on the property, changes in federal or State regulations applicable to real property, failure of a lender to approve a loan on acceptable terms and conditions, lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially reasonable price, shortages or reductions in available energy or acts of God or other calamities. Furthermore, there could be a loss of liquidity in the capital markets such that refinancing, or sale of the lots may be hindered. Any investment in land will be additionally subject to the risks and other factors generally incident to the ownership of real property, including such things as

the effects of inflation or deflation, inability to control future operating costs, vandalism, uncertainty of cash flow, the availability and costs of borrowed funds, the general level of real estate values, competition from other property, residential patterns and uses, general economic conditions (national, regional, and local), the general suitability of a property to its market area, governmental rules and fiscal policies, acts of God, and other factors beyond the control of Cayetano.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Each of the Funds has a separate General Partner and each is related to Cayetano through common ownership and control.

General Partners may be entitled to any Carried Interest, as applicable, pursuant to the terms and conditions set forth in the appropriate Fund offering documents. Any such allocation will ultimately inure to the benefit of the owners and executive officers of Cayetano.

Certain principals of Cayetano have ownership interests in Generation Partners ("Generation") an SEC-registered investment adviser to various private equity pooled investment vehicles. Generation may introduce Cayetano to its investors and Generation may introduce its investors to Cayetano. Any investments with Generation are solely at the discretion of the investors, and investors are responsible for all due diligence associated with any such investments. Since related persons of Generation have ownership interests in Cayetano, even an introduction creates a possible conflict of interest due to overlapping pecuniary interests.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to the Chief Compliance Officer, at the firm's principal office address.

As disclosed at Item 5 of this brochure, certain executive officers and/or other employees

of Cayetano have invested and may invest a portion of their personal net worth in one or more of the Funds or have an equity interest in them.

It is the expressed policy of our firm that no person employed by us may usurp an investment opportunity which may be appropriate for one or more of the Funds without first presenting the opportunity to our Investment Committee, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. No officer or employee of our firm may prefer his or her own interest to that of an advisory client.
2. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund. Such levels of participation in any one of the Funds by our owners, principals or employees is limited by the terms of each Fund's partnership agreements and/or offering documents though side-by-side investments are typically allowed.

Item 12. Brokerage Practices

As invests in real estate projects which are converted into senior notes secured by mortgage loans and real estate, it does not trade securities and does not enter into brokerage arrangements. Cayetano does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Item 13. Review of Accounts

The following individuals are primarily responsible for performing property

identification, track development, marketing, mortgage origination and mortgage servicing functions:

- Kyndel W. Bennett
- Matthew J. Long
- John R. Mays
- Garrett Forthuber

The specific individuals responsible for various functions may change or vary over time and may vary from Fund to Fund.

The Funds are audited annually by an independent, certified public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (“PCAOB”) and a copy of the audited financials are sent to each investor on a timely basis.

In addition to annual audited financials, investors in each Fund will receive at least monthly accounting and annual K-1s.

Item 14. Client Referrals and Other Compensation

Although our firm does not currently utilize placement agents for referring prospective investors to our Funds, we reserve the right to enter into such arrangements in the future. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the Cayetano Funds are the most suitable to the prospective investor’s needs. To address this potential conflict of interest, all referred investors would be informed of the placement agent’s role and the firm would collect appropriate required information to ensure that the investor meets the qualifications for investing in the fund.

Item 15. Custody

Because we act as investment adviser to the Funds and are affiliated with each Fund’s General Partner through common ownership and control, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the PCAOB. We seek to send, directly or through a third party, the audited financials to each Fund investor within 120 days of the applicable Fund’s fiscal year end.

Item 16. Investment Discretion

As investment adviser to the Funds, Cayetano is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which investments to buy or sell on behalf of the Funds.

Item 17. Voting Client Securities

As invests in real estate projects which are converted into senior notes secured by mortgage loans and real estate, it does not receive or vote proxies.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, therefore, we are not required to include a financial statement with this brochure.

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