

Capri EGM, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Capri EGM, LLC (“the “Firm”). If you have any questions about the contents of this brochure, please contact us at 312-827-2280. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the Firm and is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Item 2: Material Changes

This Item 2 of the Brochure discusses only material changes that have been made to the Brochure since our last annual updating amendment. There are no material changes to report.

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Item 4: Advisory Business

Capri EGM, LLC

Capri EGM, LLC (the “Firm”) is an investment adviser, providing real estate investment management services to pension plans and other clients, specializing in corporate build-to-suit and sale leaseback financing, and the acquisition of single-tenant office, industrial, and retail net lease properties. The Firm intends to invest client’s funds in domestic real estate equity or debt investments through separate account or commingled fund structures. Real estate investments include core, core-plus, value-add and opportunistic strategies. For separate account clients, the Firm tailors its investment strategies and product types to its client’s requests and investments may be made on a discretionary or non-discretionary basis.

The real estate investment management services provided by the Firm include strategy formulation, acquisitions (sourcing, underwriting, structuring and negotiating potential investments), portfolio management (strategy oversight, reporting, compliance), and asset management (day to day operations of the property companies, strategy implementation, leasing, valuations, and dispositions).

The Firm was formed in June 2014 as a Delaware limited liability company. Capri EGM is owned 47.5% by EGM Net Lease Adviser, 47.5% by Capri Capital Partners, LLC, and 5% by JSDA 1, LLC. EGM Net Lease Adviser is 100% owned by Shelby E.L. Pruett. As of December 31, 2023, the Firm had approximately US\$420,133,000 in gross fair market value in real estate and other assets under management (including unfunded investor commitments) on behalf of one institutional client.

Item 5: Fees and Compensation

The Firm charges fees for investment advisory services generally as a percentage of assets under management. Investment advisory fees are negotiable; however, compensation will typically include an origination or acquisition fee of 0% - 2.00%, an annual asset or portfolio management fee during the investment period of 0% - 1.50% and a divestiture fee of 0% - 1.50%. In addition, when permitted, the Firm will receive additional compensation in the form of participation (less than 50%) in an investment property’s net cash flow and/or in the residual profits upon sale or loan repayment. In all cases the fee will be agreed to by the client and disclosed in the advisory agreement or in the case of private funds in the offering documents or private placement memorandum (or equivalent).

The Firm may also act as the manager of private investment funds. In such cases the Firm will receive a management fee from such funds based on net assets invested in the fund as well as carried interests in the returns of the funds after investors in the funds have received a specified rate of return on their investments. All of such carried interests and fees would be disclosed in the applicable fund documents.

Fees are generally billed to separate account clients and are deducted from fund accounts. Fees are payable at the time services are provided, or in arrears, generally on a quarterly basis.

The Firm may engage real estate or mortgage loan brokers as well as securities brokers from time-to-time which fees will be paid by the client. See Section on Brokerage Practices.

Other Fees and Expenses:

In addition to the fees payable to the Firm, subject to the separate account client and investment fund documents, investors will pay or otherwise bear all fees, costs, expenses, and other liabilities arising in connection with its operation, including (but not limited to):

- any sales or other taxes, fees, or government charges that may be assessed against the fund or client;
- commissions, brokerage fees, and similar charges incurred in connection with the purchase or sale of fund investments;
- costs and expenses incurred in investigating, developing, negotiating, structuring, settling, monitoring, and holding portfolio investments (whether or not consummated), including travel, legal, tax, and accounting expenses therewith;
- market data costs; research-related expenses;
- the costs and expenses such as travel-related expenses, of holding meetings or conferences with fund investors (or other clients);
- costs of any investigation, administrative proceeding or regulatory matter, litigation and threatened litigation involving a client or a fund;
- indemnification obligations and expenses;
- expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, auditing, appraisal, tax advisory, tax preparation, legal, external consulting, custodial, and registration services provided to a fund, its subsidiaries' assets or a client;
- fees, costs and expenses, including premiums related to risk management services and insurance;
- costs of dissolving a fund or client's investment vehicle and liquidating its assets;
- organizational expenses, including costs and expenses pertaining to the offering and sale of interests in a fund, related legal and other organizational payments and travel expenses.

The Firm may from time to time incur fees, costs, and expenses on behalf of more than one separate account client or fund. To the extent such fees, costs, and expenses are incurred for the benefit of more than one fund or client, each such fund or separate account client will bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in the activity or entity to which such expense relates (subject to the terms of each fund or client's governing documents). The Firm endeavors to allocate such fees, costs, and expenses on a fair and equitable basis. Please refer to the separate account of fund documents for complete information on the expenses payable by advisory clients.

In accordance with fund documents, fees are generally deducted directly from the client accounts. Aside from the base management fee and the fund level incentive fee, there are no fees earned by the Firm or its affiliates from the underlying investments or other services.

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

As previously stated, when permitted, the Firm receives performance-based fees or carried interests as additional compensation after separate account clients or fund investors have received a specified rate of return on their investments. Since hurdle rates, over which the Firm earns performance-based fees or carried interest, may vary among separate account clients or fund investors, there is the potential for a conflict of interest at the time that the Firm is allocating a given investment to a separate account client or fund. The Firm in such cases uses an objective rotational system to allocate these investments among competing separate account clients and funds. The Firm believes that this practice sufficiently resolves that apparent conflict.

Item 7: Types of Clients

The Firm primarily provides real estate equity and debt investment advice to institutional clients through separate account or fund vehicles. While the Firm does not impose a minimum dollar value of assets with respect to maintaining a separate account with the Firm, the private investment funds sponsored by the Firm may require a minimum subscription amount in order to invest. Potential investors receive offering memoranda that will disclose any minimum subscription requirements.

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

The Firm's analysis methods relating to real estate investments (debt or equity) include the following:

Economic Environment – Local and regional economic factors are considered such as macro trends in population, job formation, distribution of employment, personal income, demographics, and technology in the manufacturing base. These factors are viewed in the overall context of the United States economy.

Market and Competitive Conditions – Local and regional property market conditions are analyzed to determine the extent of supply/demand equilibrium in the market. This entails a review of factors such as the amount of speculative construction, absorption of new and existing commercial space or residential housing units, average commercial building vacancies, and net effective (versus contract) rental rates. To determine the competitive position of the investment property within the market, an evaluation of competitive properties is performed. Competitive properties are analyzed with respect to size, location, design, absorption, tenancy, and other factors.

Physical Assessment – An assessment of the property's size and physical condition is made. This includes an evaluation of site location, access, zoning, environmental factors, and conformity with adjacent land uses. With respect to the building, environmental issues, structural integrity, age, architectural design, amenities, functional obsolescence, and other physical aspects are reviewed. The Firm works closely with outside technical consultants during this phase of the investment analysis.

Operational Review – Property operating strategy is analyzed. This includes an evaluation of such factors as: the cost and effectiveness of current marketing, including trends in the property's absorption, turnover, and occupancy levels; proposed marketing strategy including pricing and competitive positioning; management systems and the quality and frequency of reporting; and operational efficiency through an analysis of operating expenses relative to competition and industry standards.

Financial and Valuation Analysis – A financial and valuation analysis is performed. This entails a review of the property's operating and financial history including an analysis of capital expenditures, lease terms, tenant credit quality, and other factors. The goal of this effort is to determine the quality of the property's operating cash flow stream. A credit assessment of the borrower or sponsor is also made for debt related investments. With this information, an operating proforma is completed which incorporates the conclusions reached from the overall analysis previously described. The proforma becomes the basis for estimating the value of the investment property in addition to utilizing outside appraisals, feasibility studies, and an estimate of the property's replacement cost. In this manner, the property's rewards relative to its risk can be assessed. An independent appraisal will be completed for each real estate investment at least once every three years if not otherwise specified in the separate account or fund documents.

Sources of Information – The Firm uses the following sources of information in their analyses:

- (1) Market research materials purchased from third party providers;
- (2) Internal research;
- (3) Federal, state, and local government reports;
- (4) Market leasing and vacancy reports;
- (5) Industry publications;
- (6) Appraisal, feasibility, and land use studies; and
- (7) Technical reports (i.e. engineering, environmental, etc.).

With respect to evaluating the credit strength of building tenants, the Firm may review annual reports, research materials, and other information.

Investment Strategies – Investment strategies used to implement advice given to clients will include core, core-plus, value-add and opportunistic commercial real estate investment programs, in both equity and debt formats, and generally be medium (3-5 year) or long term (5-10 year) in nature.

Risk of Loss – In addition to general investment risks, investments will be subject to the risks incident to ownership and development of real estate and there can be no assurance that any rate of return or other investment objectives will be realized or that there will be any return of capital. Real estate risks include changes in the general economic climate, changes in the overall market, local real estate conditions, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, the attractiveness and location of properties, the quality and philosophy of management, accelerated construction activity, technological innovations that dramatically alter space requirements, the availability of

financing, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks, and government regulations (including those governing usage, improvements, zoning and taxes), quality of maintenance, insurance and management services, changes in operating costs, uninsured losses or delays from casualties or condemnation, potential liability under changing environmental and other laws, structural or property-level latent defects, acts of God and other factors beyond the control of the manager. Private fund investors should refer to the Risk Factors section of the offering documents and private placement memorandum or equivalent for a disclosure of risks.

Environmental Considerations

The real properties acquired by clients (funds or separate accounts) will be subject to federal and state environmental laws, regulations and administrative rulings which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to federal and state environmental laws which impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs.

Uninsured Losses

Comprehensive liability, fire, extended coverage and rental loss insurance covering each property is maintained, with policy specifications and insured limits which the Firm believes will be adequate and appropriate under the circumstances given the relative risk of loss, the cost of such coverage and industry practice. There are certain types of losses, such as acts of war, hurricanes, floods, or seismic activity, which now or in the future may be uninsurable or not economically insurable. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it infeasible to use insurance proceeds to replace an asset if it is damaged or destroyed. If an uninsured property loss or a property loss in excess of insured limits were to occur, a separate account or fund could lose its capital invested in the affected property, as well as the anticipated future revenues from such property.

Management Rights

Non-discretionary fund or separate account investors will have control over major investment decisions including purchasing, financing and eventually divesting investments. Discretionary fund or separate account investors will have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the discretionary fund or account. The Firm will have sole and absolute discretion in structuring, negotiating, acquiring, purchasing, financing and eventually divesting investments on behalf of a discretionary fund or account.

Leverage

For investments, the Firm expects to utilize a leveraged capital structure, in which case a third-party would be entitled to cash flow generated by such investments prior to a separate account or fund receiving a return. While such leverage may increase returns or the funds available for investment by an investment fund, it also will increase the risk of loss on a leveraged investment. The use of leverage involves financial risk and may increase the exposure of a fund, or its investments to factors such as rising interest rates or downturns in the economy. If a separate account or fund defaults on secured indebtedness, the lender may foreclose and the

separate account or fund client could lose its entire investment in the security for such loan.

Illiquidity of Investment in Real Estate

Potential investors should be fully aware of the potential long-term nature of real estate investment. For fund investors, fund interests may not have been registered under the Securities Act or the securities laws of any state or other jurisdiction, and, therefore, are subject to statutory restrictions on transfer. In addition, transfer of fund interests may be substantially restricted by the governing agreements for each fund. Moreover, fund interests may not be redeemable at the option of the investor. Because of the limitation on redemption rights and the fact that the fund interests are not tradable, an investment in the fund is an illiquid investment and involves a high degree of risk. Accordingly, a subscription for fund interests should be considered only by persons financially able to maintain their investment and who can afford a total loss of their investment.

Concentration of Investments

Each separate account client or fund may, at certain times, hold a few relatively large (in relation to its capital) positions in particular properties with the result that a loss in any single property could have a material adverse impact on that separate account client or fund.

Cybersecurity Risk

With the increased use of technologies such as the internet to conduct business, investments are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents affecting service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) may cause disruptions and impact business operations, potentially resulting in financial losses or other damage. While the Firm establishes business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, the Firm cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Firm or its clients. The Firm and its clients could be negatively impacted as a result.

Real Estate Market Volatility

At various times in the past, volatile market conditions have had an effect on the value of real estate investments. In addition, terrorist attacks, other acts of violence or war, health epidemics or pandemics, natural hazards, and/or force majeure may affect the operations and profitability of such investments. Such events also could cause consumer and business confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial and real estate markets. Any of these occurrences could have a significant impact on the operating results and revenues of real estate investment projects, in turn, on the return of a client’s investments.

Item 9: Disciplinary Information

The Firm and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

The Firm acts as the investment manager to investment entities in which clients are solicited to invest. These entities are not restricted to limited partnerships; they may be structured as limited liability companies as well. These entities will generally invest in real estate and real estate related investments. The Firm (and/or certain of its employees) own or control the general partner/managing member/investment manager of each of the investment entities.

As the firm grows, to the extent that an investment opportunity is appropriate for more than one client, the Firm will employ an objective rotational system to allocate these investments among competing clients (including the private investment funds it may manage). The Firm believes this practice will sufficiently resolves that apparent conflict.

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

The Firm has adopted a written Code of Ethics ("Code") in accordance with the SEC's rule 204A-1, which addresses conflicts of interest and personal investments and is applied to officers and employees of the Company. The Firm's employees and the persons acting on its behalf are subject to the registered adviser's supervision and control and are therefore "persons associated with" the registered adviser and subject to the Firm's compliance program. This Code has been adopted to assist the Firm, and to guide all officers and employees, in complying with federal securities rules and regulations and other Company standards applicable to carrying out the Firm's fiduciary responsibility to clients.

Among other things, the Code requires the Firm and its employees to act in the clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and receive pre-approval and report on many types of personal securities transactions. The Firm's restrictions on personal securities trading apply to employees as well as employees' family members living in the same household. The Chief Compliance Officer, or their designee, monitors employee trading, relative to potential insider information and relative to client's transactions to ensure that employees do not engage in improper transactions.

The Firm co-invests alongside its investors for alignment of interests. This could cause the Firm to favor certain investments. The Firm employs an objective rotational system to allocate these investments among competing clients. A copy of the Firm's Code will be provided to any client or prospective client upon request.

Potential Conflicts of Interest

The Firm acts through an affiliate as general partner in partnerships in which investors are solicited to invest. In addition, such general partner may receive a performance-based

allocation based on returns to the investors in the fund or investments in a separate account. This incentive allocation may create an incentive for the Firm to advise a partnership or separate account to make investments that are riskier or more speculative than would be the case in the absence of a performance-based allocation arrangement.

Item 12: Brokerage Practices

It is possible that the Firm will cause private investment funds for which it is acting as investment manager to purchase securities. With respect to such purchases, the Firm will have discretion regarding which securities will be bought or sold and the broker or dealer to be used. In addition, the Firm may engage real estate, mortgage or loan brokers.

Soft Dollars and Proprietary Research - Securities brokers, real estate brokers, and mortgage brokers are selected by the Firm on the basis of experience, reputation, and availability to meet due date requirements. Brokers, real estate brokers, and mortgage brokers are customarily compensated on a competitive commission basis.

The Firm usually engage real estate brokers in connection with property sales and leases. When a real estate broker is engaged, a written agreement is typically negotiated specifying the applicable commission, the conditions that must be satisfied to earn such commission, and the timing of payment. The Firm verifies that the commission is at a market rate and upon market terms before entering into such an agreement.

The Firm accepts only proprietary research from the brokers and does not enter into any soft dollar arrangements whereby it receives research or any other benefit from third parties. Research services received from brokers and dealers are supplemental to the Firm's own research effort. To the best of the Firm's knowledge, these services are generally made available to all parties doing business with such brokers. The Firm does not separately compensate such brokers for the research and does not believe that it pays for such brokers research due to the difficulty associated with the brokers not breaking out the costs for such services. The Firm's acceptance of research from brokers is done in accordance with the provision of Section 28(e) of the Securities Exchange Act of 1934, as amended.

From time to time, the Firm may enter into referral fee arrangements to compensate solicitors for recommending its investment advisory services to potential investors in its private investment funds. To the extent required, such arrangements are entered into in accordance with Rule 206(4)-3 and Rule 206(4)-5 under the Investment Advisers Act of 1940.

Item 13: Review of Accounts

The Firm's separate account clients and private investment fund offering documents and PPM's (or equivalent) sometimes impose written investment guidelines to be followed in connection with the management of their real estate properties. The Firm follows these guidelines, if any, when executing its acquisition strategy for the clients. All investment guidelines shall be directed to the Investment Committee for review and implementation.

The Firm monitors all client accounts on a regular basis. Reviews will incorporate those factors agreed upon in the relevant separate account client or fund documents. In particular, the Firm is responsible for reviewing client accounts and private funds on a quarterly basis, at various levels, including market factors affecting investments in the account, diversification of the portfolio, and financial variables, such as current leases signed that can impact values of investments in the account, capital improvement schedules and borrower credit status on debt related investments. The Firm's clients receive quarterly reports about the properties they own in their accounts or in the private funds in which they invest on a quarterly basis. The information included in each client report depends upon each client's particular preference, but typically includes a list of the fair market values of investments and transactions for the period covered by the report. Current information related to tenancy, leasing, and the overall market in which the property operates is also included.

Item 14: Client Referrals and Other Compensation

The Firm does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15: Custody

The Firm maintains custody of client assets as a result of its relationship to the general partner of the investment funds. The general partner establishes accounts with qualified custodians for each investment fund. In compliance with the Investment Advisers Act, monetary assets of the investment funds are held in deposit accounts or other accounts with a qualified custodian and annual audit reports by Plante Moran, the Firm's CPA, with respect to such investment funds are provided to each investor. In accordance with fund documents, fees are deducted directly from the client accounts.

Item 16: Investment Discretion

The Firm does not currently have investment discretion over its separate account client accounts. In either non-discretionary or discretionary separate accounts, all terms agreed with a separate account client would be included in the Investment Management Agreement with the client.

Generally, a basic structure has been identified by the client or proposed by the Firm as the type of real estate that the Firm will invest in on behalf of the client. The structure would include real estate equity, debt or both, whether it is wholly owned, a joint venture, first mortgage debt, subordinated debt or preferred equity and the product type would be office, industrial or retail. For any Firm's commingled funds that are discretionary the terms would be included in private investment fund offering documents and private placement memorandum's (or equivalent).

Item 17: Voting Client Securities

Registrant does not invest in securities that carry proxy voting rights and therefore the Firm does not vote proxies.

The interests held by the separate account clients or investment funds are private real estate investments, and the separate account clients or investment funds or their affiliates have approval rights and certain control rights over all major operating and investment decisions.

Item 18: Financial Information

Registrant has custody of client funds; however, the Registrant has no financial condition that would impair its ability to meet contractual commitments to clients.