

Item 1 - Cover Page

BridgeInvest LLC

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March 29, 2024 Brochure

This brochure (the “Brochure”) provides information about the qualifications and business practices of BridgeInvest LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 305-749-9887 or daniel.stahl@bridgeinvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Additional information about the Adviser also is available on the SEC’s website at www.AdviserInfo.sec.gov.

Item 2 - Material Changes

This Brochure, dated March 29, 2024, is an update to the Adviser's Brochure dated July 25, 2023. It reflects all changes made to the Brochure since the other than annual amendment on July 25, 2023. The purpose of Item 2 of the Brochure is to provide clients with information that has materially changed since the prior year's Brochure. Other routine changes have been made to this Brochure. We encourage all recipients of this Brochure to read it carefully in its entirety.

The following items are a summary of material and other important changes in this Brochure since the last annual update:

Item 5: The prior disclosure regarding instances where Limited Partners may receive reduced fees was updated to include a standalone section related specifically to side letters. This section notes that the General Partner may permit certain Limited Partners to invest in the Funds on a reduced fee basis.

Item 8: The risk disclosures were enhanced to include risks associated with political uncertainty and emerging global events. Specifically, during times of political uncertainty, the securities, derivatives and currency markets could become volatile and real estate can also be impacted. There also could be a lower level of monitoring and regulation while a country is experiencing political uncertainty, and the activities of investors, consumers and businesses in such markets and enforcement of existing regulations could be extremely limited. Markets experiencing political uncertainty could have substantial, and in some periods, extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates could have negative effects on such countries' economies. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets and real estate. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. A Fund will be negatively impacted if the value of its portfolio holdings decreases as a result of such events, or if these events adversely impact the operations and effectiveness of the adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the management of accounts or properties.

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Item 4 - Advisory Business

General Information

BridgeInvest LLC is a Florida limited liability company with its principal place of business in Florida. The Adviser was organized in 2011.

Fund Investment Advisory Services

The Adviser provides investment advisory services to pooled investment vehicles (each, a “Fund”, and collectively, the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). In providing investment advisory services to the Funds, the Adviser may do so directly, or indirectly through those related persons described below.

The following related persons of the Adviser serve as the managers of the Funds (each, a “Fund Manager” and “Relying Adviser”): (i) BridgeInvest Fund Manager II LLC, a Delaware limited liability company; (ii) BridgeInvest Fund Manager III LLC, a Delaware limited liability company; (iii) BridgeInvest Specialty Credit Fund IV Manager LLC, a Delaware limited liability company, and (iv) BridgeInvest Credit Opportunities Fund Manager LLC, a Delaware limited liability company. Each of the Fund Managers are wholly owned by the Adviser. All supervised persons acting on behalf of each Fund Manager are also supervised persons of the Adviser. In addition, the Adviser and the Fund Managers operate under a single code of ethics (the “Code”) and compliance manual that is administered by the Adviser’s Chief Compliance Officer (the “CCO”). Accordingly, each Fund Manager is a “Relying Adviser” of the Adviser, and all references to the “Adviser” in this disclosure brochure include the Fund Managers.

The following related persons of the Adviser, each of which is under common control with, or wholly owned by, the Adviser, serve as the general partners of the Funds (the “General Partners”): (i) BridgeInvest Fund GP II LLC, a Delaware limited liability company; (ii) BI Partnership III GP LLC, a Delaware limited liability company; (iii) BridgeInvest Fund GP III LLC, a Delaware limited liability company, (iv) BridgeInvest Partners GP III LLC, a Delaware limited liability company; (iv) BridgeInvest Specialty Credit Fund IV GP LLC, a Delaware limited liability company; and (v) BridgeInvest Credit Opportunities Fund GP LLC, a Delaware limited liability company. In providing investment advisory services to the Funds, the Adviser and the General Partners seek to tailor their services to the Funds’ needs, interests, and circumstances.

BridgeInvest Funds. Through each applicable Relying Adviser, the Adviser provides discretionary investment advisory services to the following Funds: (i) BridgeInvest Specialty Credit Fund II, LLLP, a Delaware limited liability limited partnership (“Fund II”); (ii) BridgeInvest Partners II LP, a British Virgin Islands partnership (“Offshore Fund II”); (iii) BridgeInvest Specialty Credit Fund III, LP, a Delaware limited partnership (“Fund III”); (iv) BridgeInvest Partners III LP, a British Virgin Islands partnership; (v) BI Partnership III LLLP, a Delaware limited liability partnership (the “U.S. Investment Vehicle”); (vi) BridgeInvest Credit Opportunities Fund LP, a Delaware limited partnership (“Credit Ops”); (vii) BridgeInvest Specialty Credit Fund IV LP, a Delaware limited partnership (“Fund IV”); (viii) BI Partnership IV LP, a Delaware limited partnership (“US Feeder IV”) and (ix) and BI Partners IV FI LP, a British Virgin Islands limited partnership (“Offshore Feeder IV” and, together with Offshore Fund II and Offshore Fund III, the “Offshore Funds”).

Each Fund pursues opportunistic real estate debt investments by investing exclusively in first-priority mortgage loans secured by real estate assets (“Investments”).

As the investment adviser of the Funds, the Adviser, along with the General Partners, identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of Investments of, the Funds.

The Relying Advisers provide investment advisory services to the Funds, each pursuant to the terms of the relevant Fund’s limited partnership agreement (each, a “Fund Agreement”). Investment advice is provided directly to each Fund, subject to the direction and control of the relevant General Partner, and not individually to the investors in any Fund.

Investment Limitations

Each Fund is subject to certain restrictions on Investments (the “Investment Limitations”). The Investment Limitations are established by each Fund’s General Partner and are set forth in the documentation received by each limited partner of the applicable Fund (each, a “Limited Partner”) before investment in any Fund. Once invested in a Fund, investors cannot impose restrictions on the types of Investments the applicable Fund may make.

Type and Value of Assets Currently Managed

All of the Adviser’s investment advisory services are provided on a discretionary basis. As of December 31, 2023, the Adviser managed \$ 749,100,083 in regulatory assets under management.

Principal Owners

The principal owner of BridgeInvest LLC is Coconut Bridge LLC, which is wholly-owned by Alex Horn.

Item 5 - Fees and Compensation

Fees for Fund Investment Advisory Services

Investment Management Fee. As compensation for investment advisory services rendered to the Funds, the Adviser receives from each Fund an investment management fee, as further described in the relevant Fund’s offering document (the “Investment Management Fee”) and as described generally below. The fee structure described below may be modified from time to time.

Funds pays to the Adviser an annual Investment Management Fee, which is payable quarterly in arrears. The initial installment of the Investment Management Fee is paid at the conclusion of the calendar quarter in which the initial closing occurs, with subsequent installments to be paid on the last day of each calendar quarter. The Investment Management Fee for Fund II is paid at an annual rate of 1.0% of the average daily balance of capital contributions of each Limited Partner during the preceding calendar quarter, less the portion of such drawn capital contributions utilized to acquire Investments that have been sold or liquidated (provided such drawn capital contributions are not subsequently reinvested in other Investments) or completely written off, in each case, as reasonably determined by the General Partner. The Investment Management Fee for Fund III and Fund IV is paid at an annual rate of 1.5% of the average daily balance of capital contributions of each Limited Partner during the preceding calendar quarter, less the portion of such drawn capital contributions that have been returned to Limited Partners. The Investment Management Fee for Credit Ops is paid at an annual rate of 1.5% (or 1.0%, with respect to Limited Partners admitted to Credit Ops in the first

closing) of the average daily balance of the Fund's net asset value.

Side Letters. The General Partner may enter into side letters or other agreements with individuals Limited Partners that have the effect of altering or supplementing the terms of the Limited Partnership Agreement. Any rights established or any other terms of the Limited Partnership Agreement altered or supplemented in a side letter with a Limited Partner will govern with respect to such Limited Partner. In addition, the General Partner may permit certain Limited Partners to invest in the Funds on a reduced fee basis.

Notwithstanding the foregoing, the Adviser or the General Partner may negotiate or set an Investment Management Fee different from the foregoing with respect to one or more Limited Partners. Additionally, please see **Item 6 – Performance-Based Fees and Side-By-Side Management** below for information regarding “incentive distributions” that the Fund may pay.

Structuring Fee. The Adviser will be paid a one-time structuring fee for each Investment made by each Fund (the “Structuring Fee”). The Structuring Fee will be paid as a single payment per Investment equal to 0.5% of the total principal loan amount for the investment, payable upon the closing date of such Investment. Notwithstanding the foregoing, the Adviser or the General Partner may negotiate or set a Structuring Fee different from the foregoing with respect to one or more Limited Partners. Each Investment's Structuring Fee will be borne by its respective borrower.

Loan Servicing Fee. The Adviser will select a loan servicer, which may be an Affiliate of the Adviser, to service the loans made by the Fund. The loan servicer will be paid a servicing fee for each Investment made by the Fund at then current market rates. Each Investment's Loan Servicing Fee will be borne by its respective borrower.

Co-Investment Fee. As specifically set forth in the relevant Fund Agreement, the Adviser, General Partner or its affiliates may earn a fee (the “Co-Investment Fee”) from co-investors or joint-venture partners in each Fund as the result of co-investment or joint venture on individual mortgages. Such fee is expected to be 1.0 – 2.0% origination fee and a fixed percentage spread of the underlying interest income if the Investment is co-invested, participated or joint-ventured prior to the original closing date of the Investment. In the event that an Investment is co-invested, participated or joint ventured subsequent to its original closing date, the Adviser expects that the Fund will retain a portion of the Co-Investment Fee.

Subscription Fee. The Adviser may charge Limited Partners in Fund II a subscription fee in connection with such Limited Partner's subscription in the Fund (the “Subscription Fee”). Subscription Fees will primarily be charged to Limited Partners who have no pre-existing relationship with the Adviser and who have been referred to the Adviser through third parties. The Subscription Fee will be used to pay such referral sources and will not be retained by the Adviser, treated as a capital contribution, or be used to reduce any unfunded commitment of any such Limited Partner.

The Adviser does not generally utilize the services of securities broker-dealers for securities transactions with respect to the Funds. In the event that the Adviser chooses to use a securities broker-dealer for limited purposes relating to any Fund, such Fund incurs brokerage and other transaction costs. For additional information regarding brokerage practices, please see **Item 12 – Brokerage Practices** below.

Organizational Expenses. Each Fund is responsible for all legal and other expenses incurred in the formation of the Fund up to an amount of (i) with respect to Fund II and Fund III, \$300,000, (ii), with respect to Fund IV, \$1,000,000 and (iii) with respect to Credit Ops, the greater of \$1,000,000 or 1.0%

of aggregate Commitments (each, an “Expense Cap”) and for all expenses related to its operations to the extent such expenses are not paid by borrowers, including third-party expenses incurred in connection with unconsummated transactions.

Other Expenses. Except as noted herein, the Funds will bear their own operating and other costs and expenses (as determined by the applicable General Partner and/or otherwise provided in on or more agreements or arrangements between the Fund and its General Partner and the offering documents of the relevant Fund). Each Fund will bear such costs and expenses to the extent such costs and expenses are not paid by borrowers, including, but not limited to: (a) for Fund II, travel costs, fees, due diligence costs and other out-of-pocket expenses directly related to the investigation of investment opportunities (whether or not consummated), the origination, acquisition, ownership, financing, hedging, or sale of its Investments, taxes, fees of auditors and counsel, foreclosure expenses, special servicing expenses, property management expenses, insurance, litigation expenses, expenses associated with the preparation and distribution of reports to the Partners, and any extraordinary expenses; (b) for Fund III, travel costs, fees (including the fees disclosed herein), due diligence costs and expenses, technology and technology licensing and subscription costs, expenses and fees and other out-of-pocket costs and expenses directly related to the investigation of Investment opportunities (whether or not consummated), the origination, acquisition, ownership, financing, hedging, or sale of Investments, taxes, fees of auditors and counsel, foreclosure expenses, special servicing expenses, property management expenses, insurance, litigation expenses, expenses associated with the preparation and distribution of reports to the Partners, and any extraordinary costs and expenses and (c) For Fund IV and Credit Ops, travel, meal, transportation, entertainment and lodging expenses (including travel expenses for diligence investments and meeting management of existing or prospective investments), such as costs and expenses of accommodations, meals and aircraft travel (including first or business class commercial airfare), transaction fees, broken-deal expenses, loan administration and loan servicing expenses, expenses incurred in collection of monies owed to the Fund, consulting, advisory, investment banking, sourcing, finder’s, legal, corporate licensing, valuation and other professional fees (and similar payments and compensation) relating to Investments or contemplated Investments, clearing and settlement charges, custodial fees, interest expenses, appraisal fees and expenses), and valuation and appraisal fees and expenses, due diligence costs and expenses, expenses of compliance with legal, regulatory and other applicable requirements, technology and technology licensing and subscription costs, news and quotation equipment and services and trading-related computer hardware, the cost of obtaining, developing, implementing and maintaining software (including the fees of third-party software developers), third party research and other expenses incurred in connection with data services, including software used by the Fund Manager or its affiliates to track and monitor Investments, market data services, fees to third-party providers of research and/or portfolio risk management services and software and brokerage costs and fees expenses and fees and other out-of-pocket costs, fees and expenses related to the sourcing, investigation, evaluation, negotiation, structuring, financing (including all amounts borrowed pursuant to a credit facility), hedging, settling, trading, acquisition, consummation, monitoring, restructuring and disposition of investment opportunities (whether or not consummated, including in the case of unconsummated investments those expenses that would have been payable (either directly or by reimbursement), by a co-investor or other third party (including broken deal expenses)), including the costs of any vehicle formed and/or third-party expenses (which includes fees of third-party custodians and administrators) as well as the ordinary day-to-day expenses incidental to the operation and administration of each Investment, the origination, acquisition, ownership, financing, hedging, or sale of Investments, taxes (other than amounts treated as distributed to or otherwise for the account of Limited Partners), fees of auditors and counsel and other advisors, foreclosure expenses, administrative expenses, special servicing expenses, property management expenses, all expenses incurred in connection with the obtaining and maintaining of insurance policies by or on behalf of the Fund, investments, the General Partner, the Fund Manager

and/or their Affiliates and/or the applicable Fund's advisory board, including, in the case of Fund IV including the allocable portion of any insurance policies that provide the General Partner and/or the Fund Manager and/or their Affiliates with coverage covering multiple funds, personnel or liabilities, including with respect to Fund IV, litigation expenses, expenses associated with the preparation and distribution of reports to the Limited Partners, compliance and reporting expenses, legal expenses, trade order management expenses, accounting, audit, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns, reports to Limited Partners and Schedules K-1), expenses relating to obtaining liability and fidelity insurance for directors and officers, the General Partner, the Fund Manager and their respective partners, members and employees, taxes and government registration fees, fees and expenses of the relevant advisory board, expenses related to meetings of the Limited Partners or the advisory board, printing and mailing costs, and expenses relating to transfers of Fund interests, administration fees and related costs (including fees to the third-party administrator), and any extraordinary costs and expenses (including litigation and indemnification expenses) and other expenses associated with the operation of the Fund, as determined by the General Partner in its sole discretion.

In addition, with respect to Fund IV and Credit Ops, the General Partner and/or the Fund Manager expect to retain one or more of its affiliates to perform legal, accounting and tax services for the Fund, and in respect of which the Fund will pay the Fund Manager or its affiliates an annual amount not to exceed 0.05% per annum of the Fund's net asset value, paid quarterly in arrears.

To the extent possible, third-party costs will be charged to and, to the extent appropriate, allocated to the Investments in the relevant Fund. Each Fund will also bear third-party expenses incurred in connection with unconsummated transactions. None of the Fund or Investment Vehicle will bear any litigation expenses related to any act or omission that is not indemnifiable by the Fund or either Investment Vehicle.

Except as provided herein, each Fund Manager and General Partner will each be responsible for the expenses of its own operations, including rent, salaries, furniture and fixtures, and other office equipment.

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

With respect to each of Fund II, Fund III and Fund IV, a portion of each Fund's net distributable proceeds up to 15% is allocated to the capital account of the Fund's General Partner as "Incentive Distributions" subject to the preferred return as described below. Incentive Distributions are not included in Fund II's gross assets but are included in Fund III's and Fund IV's gross assets. Credit Ops does not have Incentive Distributions. Each of the General Partners are related persons of the Adviser.

While each Fund has a long-term investment strategy, potential investors should note that the payment by each Fund of Incentive Distributions may nonetheless provide an incentive for the Adviser to make Investments that are riskier or more speculative than would be the case in the absence of such an arrangement. Generally, and except as may be otherwise set forth in each Fund Agreement, this conflict is mitigated to a substantial extent by, among other things, the fact that payment of the Incentive Distributions will be conditioned on all of the partners of the applicable Fund first receiving the preferred return and the return in full of their capital contributions to the applicable Fund. In addition, provisions and procedures set forth in the Code require the Adviser to act in accordance with principles of honesty, good faith, and fair dealing.

Please see **Item 10 - Other Financial Industry Activities and Affiliations** below for additional

information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7 - Types of Clients

The Adviser currently provides investment advisory services solely to the Funds. Investment advice is provided directly to each Fund, subject to the direction and control of the relevant General Partner, and not individually to the Limited Partners of the Funds.

Interests in each Fund are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Permitted investors in each Fund may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, endowments, foundations, trusts, estates, charitable organizations and other business entities.

The minimum investment requirement for each Fund is \$500,000. However, the General Partner, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the Fund's offering documents. In addition, legal eligibility requirements must be met to invest in the Fund. The minimum investment requirement for investors in the Offshore Funds, other than exempted investors (as defined in the British Virgin Islands Securities and Investment Business Act, 2010), is generally \$100,000 or its equivalent in another currency.

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

Methods of Analysis and Investment Strategies

The Funds pursue private Investments by investing exclusively in first-priority mortgage loans secured by real estate assets, primarily based in the U.S., including, without limitation, promissory notes issued by operators and owners of commercial and residential real estate secured by the underlying real property or any assets obtained in connection with certain means of foreclosure, deeds in lieu of foreclosure, or any other means of judicial enforcement of any defaulting loan. The Adviser seeks to provide Limited Partners with what the Adviser believes to be attractive risk-adjusted returns with substantial downside protection.

The Funds' strategy involves significant risks, including the risk that the Funds (and, in turn, the underlying investors in the Funds), could lose some or all of any invested capital. An Investment in any Fund provides limited liquidity because there are significant restrictions on transferability of each Fund's interests and withdrawals from each Fund.

Risk of Loss

All investment portfolios are subject to risks. Accordingly, there can be no assurance that any Fund will be able to fully meet its investment objectives and goals, or that Investments will not lose money. Below is a description of several of the principal risks that the Funds may face.

Competition for Investments in Real Estate. While the Fund attempts to distinguish itself from many other closed-end real estate debt funds, the Fund encounters competition from numerous real estate investment partnerships and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, foreign investors and other entities engaged in real estate financing activities. Many of the Fund's competitors have financial resources that are significantly larger than the Fund's and have substantial uninvested capital to invest. The greater the supply of such uninvested capital, the more difficult it will be for the Fund to locate attractive Investments. These

larger funds also have the ability to more broadly diversify the assets in their respective portfolios and thereby reduce risk. As a result of these and other factors, the Fund may acquire a limited number of Investments as a result of which, the unfavorable performance of a small number of such investments may adversely affect the aggregate returns realized by the Fund. In addition, some of the Fund's competitors may have greater human resources and other resources, including ability to access more extensive or productive investment referral sources that would give them a competitive advantage over the Fund in its investment activities. Competition for investments may have the effect of increasing costs, reducing yield or making it substantially more difficult to locate investments that meet the Fund's investment objectives or which the General Partner otherwise believes are suitable for the Fund, thereby reducing the diversity and/or attractiveness of the Fund's Investments and the returns to Limited Partners and the risk associated with an investment in the Fund.

General Real Estate Risks; Illiquidity. There is no assurance that the operations of the Fund or the Investments made by the Fund will be profitable or that cash flow will be available for distribution to Limited Partners. Because real estate, like many other long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the investments. The cash flow and value of the Investments will depend on many factors beyond the control of the Fund, including: changes in general economic or local conditions; changes in supply of or demand for competing properties in an area; changes in interest rates, which may affect, among other things, the Fund's ability to enter into a favorable transaction or the Fund's ability to exit an Investment; unavailability or cost of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; the financial condition of borrowers and of tenants, buyers and sellers of property; changes in real estate tax rates and other operating expenses (including the cost and availability of insurance of all types (particularly windstorm and flood insurance)); the imposition of rent controls; energy, materials and/or labor shortages or the cost thereof; various uninsured or uninsurable risks; natural disasters; war; and terrorism. There is no assurance that there will be a ready market for the Investments because investments in real estate debt (either directly or indirectly through partnership or other ownership vehicles) generally are less marketable and illiquid due to the unavailability of reliable or any market quotations. Accordingly, the ability of the Fund to vary its portfolio in response to changes in economic or other conditions may be limited. Any one or more of the foregoing risks could materially adversely affect the return on a Limited Partner's investment and could cause the loss of all or a part of the Limited Partner's investment in the Fund.

Credit Risk. The Fund will finance Investments for a unique variety of borrowers. While each transaction represents an exciting opportunity to lend on a unique investment, there is risk inherent of each borrower failing to make debt service payments for its loan with resulting potential defaults and the risk of potentially expensive legal and foreclosure actions.

Transaction Risk. Each transaction will be subject to risks related to its execution process. Real estate projects are exposed to numerous challenges related to zoning, lease-up, renovation and sales. Any delay or difficulty in these areas can affect the ultimate outcome of the project and the Fund's basis in the Investment, potentially affecting the ultimate payoff of the Investment.

Leverage. Should the Funds seek to finance its working capital needs, or, if in the future, the Funds determines to leverage investments, no assurance can be given that the Funds will succeed in obtaining such borrowed funds on favorable terms, if at all. If borrowed funds are not then available or are not then available on favorable terms, the Funds may not have the working capital which it requires to conduct operations as anticipated, or may not have the resources to participate in attractive investment opportunities or in order to diversify the Funds' investment portfolio. Use of leverage will increase the exposure of the relevant Fund to adverse economic factors such as

significantly rising interest rates, severe economic downturns, real estate downturns or deteriorations in the condition of real estate investments or of the market in which the Investment is located. In the event an Investment is unable to generate sufficient cash flow to meet principal and interest payments on the applicable Fund's indebtedness, as well as pay other operating expenses of the Fund (most of which will be fixed in nature), the relevant Fund's return on such Investment would likely be significantly reduced or even eliminated. Borrowings by the Funds under a credit facility may be secured by that Fund's Investments. Moreover, the presence of substantial amounts of debt creates significant additional risks, such as: (a) lending institutions may have rights to participate in certain decisions relating to the management of the Fund or the Investments; (b) financial obligations of the Fund will have to be repaid before the Limited Partners will be able to receive a return, if any, on their interests; and (c) cash flow from operations may be insufficient to pay the relevant Fund's debt service, potentially resulting in capital calls being made on the Limited Partners or foreclosure on the collateral given by the Fund to secure its obligations under such debt. Any inability of the Funds to repay such borrowings could result in a reduction or complete loss of a Limited Partner's investment in the applicable Fund.

Systems Risks. Each Fund depends on its Fund Manager to develop and implement appropriate systems for the Fund's activities. The Fund relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, certain of the Fund's and the Fund Manager's operations interface will be dependent on systems operated by third parties, including its prime brokers, the Administrator, market counterparties and their sub-custodians and other service providers, and the Fund or Fund Manager may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms", viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Fund's ability to monitor its investment portfolio and its risks.

Operational Risk. Each Fund depends on its Fund Manager to develop the appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Fund's operations. The Fund's business is dynamic and complex. As a result, certain operational risks are intrinsic to the Fund's operations, especially given the volume, diversity and complexity of transactions that the Fund are expected to enter into daily. The Fund's business is highly dependent on its ability to process, on a daily basis, transactions across numerous and diverse markets. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund's operations may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or damage to its reputation. Consequently, the Fund relies heavily on its financial, accounting and other data processing systems. The ability of its systems to accommodate an increasing volume, diversity and complexity of transactions could also constrain the Fund's ability to properly manage its portfolio.

Cybersecurity Risk. As part of its business, the Adviser and the Fund Managers processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Limited Partners. Similarly, service providers of the Fund Managers, the Fund, especially the Fund's administrator, may process, store

and transmit such information. The Fund Managers have procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Fund Managers may be susceptible to compromise, leading to a breach of the Fund Managers' network. The Fund Managers' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Fund Managers to the Limited Partners may also be susceptible to compromise. Breach of the Fund Managers' information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of the Fund Managers and the Funds are subject to the same electronic information security threats as the Fund Managers. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Fund Managers' or the Funds' proprietary information may cause the Fund Managers or the Funds to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the Limited Partners' investments therein.

Management Risk and Reliance on Management. The Funds are subject to management risk because the Fund Managers actively manages their investment portfolios. The Fund Managers will apply investment and disposition techniques and risk analyses in making investment and disposition decisions for the Funds, but there can be no guarantee that these will produce the desired results. In addition, as Limited Partners may not participate in the management of the Funds, only investors who are willing to entrust all aspects of the management of the Funds to the General Partners and the Fund Managers should subscribe for Interests.

Model Risks. The Fund Managers may employ financial/analytical models to aid in the selection of Fund investments, to allocate investments across various strategies and risks and to determine the risk profile of the Funds. If any such models are employed, the success of the Funds' investment activities will depend, in large part, upon the viability of these models. There can be no assurance that the models are currently viable, or will remain viable during the term of the Funds, due to various factors, including the quality of the data input into the models and the assumptions underlying such models, which to varying degrees involve the exercise of judgment, as well as the possibility of errors in constructing or of using the model. Even if the models function as anticipated, they cannot account for all factors that may influence the returns on the investments. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable or not completely viable or (ii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not materially viable could, at any time, have a material adverse effect on the performance of the Fund.

Valuation of the Fund's Assets and Liabilities. The General Partners value the assets and liabilities of the Funds in accordance with the valuation policy of the Fund Managers. If a General Partner determines that the market price does not fairly represent the value of an asset or liability, or that

liquidation or third-party market valuations are unavailable to value an asset or liability, the General Partner will value such investment as it, in its sole discretion, reasonably determines. The use of inaccurate valuations may prohibit the Funds from effectively managing its investment portfolio and risks, may result in the Funds exceeding certain investment guidelines and may affect the diversification and risk management of the Funds' portfolios. The Funds will hold certain financial instruments that will not have readily ascertainable market values. In such instances the General Partner will determine the fair value of such financial instruments in good faith based on various factors. In connection with certain financial instruments for which no external pricing information is available, the General Partner may rely on internal pricing models. Such valuations may vary from similar valuations performed by independent third parties for similar types of financial instruments. The valuation of certain illiquid financial instruments is inherently subjective and subject to increased risk that the information utilized to value the financial instrument or to create the price models may be inaccurate or subject to other error. Inaccurate valuations may, among other things, prevent the Funds from effectively managing their investment portfolios and risks, may result in the Funds exceeding certain investment guidelines and may affect the diversification and risk management of the Funds' portfolios. The value of the Funds' portfolio may also be affected by changes in accounting standards, policies or practices. The Fund Managers have established a formal valuation committee that meets regularly to establish procedures for valuing assets and to approve any deviations from the valuation procedures on an ad hoc basis.

Due Diligence; Expedited Transactions. Investment analyses and decisions by the General Partners and the Fund Managers may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities and the Fund Managers may have a limited amount of time in which to conduct due diligence. In other cases, even where an investment is not required to be made on an expedited basis, the seller may not make certain information available either because such information is subject to confidentiality restrictions or otherwise. In such cases, the information available to the General Partners and the Fund Managers at the time of making an investment decision may be limited, and these parties may not have access to detailed information regarding the investment property. Therefore, no assurance can be given that the General Partners or the Fund Managers will have knowledge of all circumstances that may adversely affect an investment. In addition, the General Partners and the Fund Managers expect to rely upon third parties in connection with their evaluation and management of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such third parties or to a Fund's right of recovery against them in the event errors or omissions do occur.

Political Uncertainty and Emerging Global Events. During times of political uncertainty, the securities, derivatives and currency markets could become volatile and real estate can also be impacted. There also could be a lower level of monitoring and regulation while a country is experiencing political uncertainty, and the activities of investors, consumers and businesses in such markets and enforcement of existing regulations could be extremely limited. Markets experiencing political uncertainty could have substantial, and in some periods, extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates could have negative effects on such countries' economies. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets and real estate. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. A Fund will be negatively impacted if the value of its portfolio holdings decreases as a result of such events, or if

these events adversely impact the operations and effectiveness of the adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the management of accounts or properties.

Please see the relevant Fund's offering documents for information about the specific risks associated with an investment in each Fund.

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 a client's evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

The Adviser wholly owns the Relying Advisers and the General Partners. Certain individuals of the management persons of the Adviser are also the principals of the General Partners.

The Adviser is under common ownership and control with Horn Eichenwald Investments Corp. ("Horn Eichenwald"), an investment adviser registered with the SEC. There is no business relationship between the Adviser and Horn Eichenwald, and the business operations and practices of the two entities are completely separate. The Adviser does not believe a material conflict of interest exists as a result of its common ownership and control with Horn Eichenwald.

Conflicts of Interest

The discussion below reflects both historical and current practices of the Adviser and the Funds. Please refer to the relevant Fund Agreement and offering documents of the relevant Fund for more details regarding each of the Fund's practices.

Incentive Distributions. As stated above, the structure and payment of the incentive distributions by each Fund to the applicable General Partner may involve a conflict of interest because it may create an incentive for the General Partners to cause the Funds to make riskier or more speculative investments than it otherwise would.

Affiliated Transactions. It is possible that the General Partners, the Adviser, or any affiliated entities may perform a variety of management, development, financial or other services (including the delivery of one or more corporate guarantees of Fund financings) in connection with the Investments and receive significant fees and reimbursements for doing so. In addition, the General Partners may, under certain circumstances and in their sole discretion, make a loan or cause an affiliate to make a loan to the applicable Fund, which will accrue interest and will be pre-payable at any time without any prepayment penalty or charge. These transactions present conflicts of interest, because the fees, reimbursements and interest charged, as applicable, would not have the benefit of arm's length negotiations. Although these transactions are not arm's length transactions, they will be consistent with those generally available in arm's length transactions with qualified independent third parties in the applicable geographic area for a comparable level of quality.

Other Business Relationships. The Adviser and its affiliates engage in a broad range of activities, including investment activities for their own accounts and for the accounts of other investment funds and providing advisory, management and other services to other funds. The funds and accounts advised or managed by the Adviser or its affiliates are referred to as the "Related Funds." The Related Funds may have investment objectives similar to those of the Fund. In the ordinary course of

conducting its activities, the interests of the Fund or its Limited Partners may, on occasion, conflict with the interests of the Adviser or its affiliates or one or more other Related Funds. In addition, the Adviser and its affiliates will, from time to time, provide advisory, management, and other services to third-party loans and joint ventures not held by any of the Funds (the “Third-Party Loans” and “Joint Ventures,” respectively). Specifically, the Adviser’s and its affiliates’ time, effort, and resources will not be devoted exclusively to the business of the Fund but must be allocated between that business, any Related Funds, any Third-Party Loans, and any Joint Ventures. The Joint Ventures are not considered clients and are outside of our advisory business. Accordingly, they are not considered in this Brochure.

The General Partner and its principals will devote as much of their time and resources to the activities of the Fund as it deems necessary and appropriate. The Fund Agreement generally does not restrict the General Partner or its principals from entering into other relationships or engaging in other business activities, even though those activities may be in competition with the Fund and/or may involve substantial amounts of their time and resources.

Reimbursement of Expenses. Each Fund and/or its subsidiaries which own the investment properties will pay directly or reimburse the General Partner or certain affiliates for all expenses directly relating to the relevant Fund and the financing of mortgages. The General Partners may have conflicts of interest in determining the proper allocation of certain reimbursable expenses between the Funds and its affiliates.

Advisory Board. A Fund’s Advisory Board may be asked to review the Fund’s financial statements and performance, review and approve certain conflicts of interest and related-party transactions, approve any matter that requires consent under the Investment Advisers Act of 1940, as amended (“Advisers Act”) and provide advice on or approval of such other matters as may be requested by the Fund’s General Partner in its sole discretion. The decisions of a Fund’s Advisory Board are binding on the Fund and its Limited Partners. The General Partner retains the legal authority for all decisions relating to the operation and management of the Fund, including, without limitation, all investment decisions. Member of a Fund’s Advisory Board or their respective corporate entities (excluding any member employed by the Fund Manager) will be reimbursed for all reasonable out-of-pocket expenses, which fees and expenses are paid out of the assets of the relevant Fund. A Fund’s Advisory Board will also provide such other advice and counsel as is requested by the General Partner and/or the Fund Manager from time to time in connection with matters relating to the Fund.

Internal Services. As described in Item 5 with respect to Fund IV and Credit Ops, the General Partner and/or Fund Manager expect to retain one or more of its affiliates to perform legal, accounting and tax services for the Fund. The Fund will be responsible for these fees and expenses, and amounts paid to such affiliates by the Fund with respect to these services are in addition to the Management Fees. These amounts have not been negotiated on an arm’s length basis and may be more or less than the amount a third party might charge for similar work.

Resolution of Conflicts

The Adviser will deal with all conflicts of interest using its best judgment, but in its sole discretion. In resolving conflicts, the Adviser will generally consider various factors, including the interests of the Fund and the other Related Funds. In the case of all conflicts involving the Fund, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of the Adviser, except as required by the governing documents of the Fund.

Mitigating Factors. The following factors may alleviate, but will not eliminate, conflicts of interest

among the Funds and other Related Funds and future funds:

- The Funds will not make any investment unless the relevant General Partner believes that such investment is an appropriate investment considered solely from the viewpoint of the applicable Fund;
- The General Partners and their affiliates are subject to certain exclusivity provisions set forth in the Fund Agreements;
- The General Partners and their affiliates are subject to certain limitations on successor funds set forth in the Fund Agreements;
- With respect to Fund II, certain investments require 5 Business Days Limited Partner Consent (as defined in the Fund Agreement);
- With respect to Fund III, certain investments require 60% Limited Partner Consent (as defined in the Fund Agreement) whereas other decisions require up to 80% Limited Partner Consent (as defined in the Fund Agreement);
- With respect to Fund IV and Credit Ops, certain investments require Advisory Committee Consent or a Majority-in-Interest Limited Partner Consent (as defined in the Fund Agreement).
- Fees and reimbursements to be paid to the General Partners and/or their affiliates will be consistent with those generally available in arm's length transactions with qualified independent third parties in the applicable geographic area for a comparable level of quality; and
- The Adviser's Code of Ethics sets forth provisions and procedures requiring the Adviser to act in accordance with principles of honesty, good faith, and fair dealing.

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

Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics, the full text of which is available to you upon request. The Code has several goals. First, the Code is designed to assist the Adviser in complying with applicable laws and regulations governing its investment advisory business. Under the Advisers Act, the Adviser owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires the Adviser's managers, officers and employees (collectively, "Associated Persons") to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits Associated Persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards ("Professional Standards") for the Adviser's Associated Persons. Under the Code's Professional Standards, the Adviser expects its Associated Persons to put the interests of its clients first, ahead of personal interests. In this regard, the Adviser's Associated Persons are not to take inappropriate advantage of their positions in relation to Adviser clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of Associated Persons, as summarized below:

Personal Trading

From time to time, Associated Persons may invest in the same securities the Adviser recommends to clients. Under the Code, the Adviser has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. Associated Persons are generally required to submit information about their personal trading activities to the Adviser's CCO or the CCO's designee for review. In addition, Associated Persons are generally required to notify the CCO or the CCO's designee and obtain advance approval of certain personal trades in securities that may be traded by the Adviser for client accounts or otherwise affected by investments made on behalf of clients. Violations of the Code may result in disciplinary action up to and including dismissal.

Participation or Interest in Client Transactions

Under the Code, Associated Persons are prohibited from trading in securities on the basis of material, non-public information or communicating material, non-public information about the issuer of any security to any other person.

Associated Persons may invest in one or more Funds. These investments may be on terms that are different from, and more favorable than, those of an investment by a third-party investor in Fund.

Item 12 - Brokerage Practices

As each Fund primarily pursues private Investments, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences. As a result, the Adviser does not normally utilize the services of securities broker-dealers for securities transactions. In the event the Adviser chooses to use a securities broker-dealer for a securities transaction, the Adviser has, subject to the direction of each General Partner, sole discretion over the purchase and sale of Investments (including the size of such transactions) and the securities broker or dealer, if any, to be used to effect transactions. In placing each securities transaction for each Fund involving a securities broker-dealer, the Adviser will seek to obtain best execution of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer as well as certain other factors.

In determining whether a particular securities broker or dealer is likely to provide best execution with respect to a particular securities transaction, the Adviser takes into account all factors that it deems relevant to the securities broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the securities broker or dealer, and the quality of service rendered by the securities broker or dealer in other transactions.

In selecting broker-dealers to be used, the Adviser will consider client and/or investor referrals from broker-dealers. This practice presents a conflict of interest, because the Adviser may have an incentive to select a broker-dealer based on its interest in receiving referrals, rather than on whether the broker-dealer provides best execution. During the last fiscal year, the Adviser did not direct transactions to a particular broker-dealer in return for referrals.

Directed Brokerage

The Adviser does not allow directed brokerage accounts. To the extent consistent with its duty to

seek best execution, the Adviser may trade with the securities broker who has custody of the applicable assets.

Aggregation of Trades

The Funds normally do not trade in securities. However, the Adviser may aggregate a Fund's securities trades with those of another Fund to the extent consistent with receiving best execution. Generally, Funds participating in an aggregated order will receive an average price of all trades placed that trading day and pay their ratable share of brokerage costs. In some cases, the Adviser may be excluded from aggregated block trades due to legal, regulatory or other concerns.

Soft Dollar Transactions

The Adviser does not generate or use soft dollars, which are credits generated by securities transactions placed with certain securities broker-dealers that may be used to "purchase" certain research and brokerage products from such securities broker-dealers.

Item 13 - Review of Accounts

Oversight and Monitoring

The Investments of each Fund are generally private and illiquid in nature, and accordingly, the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Investments of the Funds are continuously reviewed by the Fund's General Partner, who closely monitors each Fund's Investments and generally maintains an ongoing oversight position in such Investments. These reviews will focus on appropriateness of each Fund's Investments for the applicable Fund's portfolio and the performance of the Fund.

Reporting

Within 120 days after the end of each fiscal year, each Fund will furnish to all of its Limited Partners annual audited financial statements prepared in accordance with U.S. GAAP. Within 45 days after the end of each fiscal quarter, each Fund will furnish a summary report on the Fund's Investments to each Limited Partner. Certain tax information for use in preparation of U.S. federal income tax returns will be provided to each Limited Partner.

The Adviser and each Fund's General Partner may, from time to time, in their sole discretion, provide additional information upon request relating to the relevant Fund to one or more investors in the Fund as they deem appropriate.

Item 14 - Client Referrals and Other Compensation

The Funds do not currently utilize the services of a third-party securities broker or placement agent to sell interests in the Funds on a "best efforts" or agency basis. If one or more securities brokers or placement agents are engaged, they will receive compensation for their services. Any such compensation would generally be paid by the Adviser.

Item 15 - Custody

The Adviser (through each General Partner) is deemed to have custody of certain assets of the Funds. Each Fund currently is audited annually by an independent public accountant, and the annual audited financial statements of the Funds are sent to each Fund's investors. The Funds also provide quarterly

capital statements to their investors.

Item 16 - Investment Discretion

The Adviser provides investment advisory services to the Funds pursuant to the relevant Fund Agreements. The Adviser has discretionary authority to determine the investments to be bought or sold and the amounts to invest for each Fund. Investment advice is provided by the Adviser directly to the Funds, subject to the direction and control of the affiliated General Partners, and not individually to the investors in the Funds. Any restrictions on investments in certain types of securities are established by the General Partners and are set forth in the documentation received by each Limited Partner prior to investment in the applicable Fund.

Item 17 - Voting Client Securities

The Funds are not able to direct the vote of their General Partner. To the extent applicable, the General Partners intend to vote proxies or similar corporate actions in the best interests of the applicable Fund, taking into account such factors as it deems relevant in its sole discretion.

The Adviser's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

To the extent applicable, the Adviser will maintain a detailed Proxy Voting Policy and a record of how the Adviser has voted proxies, each of which is available to clients upon request.

Item 18 - Financial Information

Not Applicable.