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Cover Page



PART 2A OF FORM ADV: FIRM BROCHURE

Savanna Investment Management LLC

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Savanna Investment Management LLC (“**Savanna**” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact us at (212) 229-0101. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

From time to time in this and other documents, Savanna may refer to itself as a “registered investment adviser” by virtue of its registration with the SEC. This title does not imply any level of training or skill.

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

Item 2
Material Changes

This amendment to the Brochure, dated April 5, 2017, contains the following material change from the previous Brochure, which was filed on March 31, 2017:

Chief Compliance Officer (“CCO”)

On April 1, 2017, Valerie Kitay, the Firm’s General Counsel, was named as the Firm’s CCO.

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Item 4

Advisory Business

- A. Savanna Investment Management LLC (along with its affiliates, “**Savanna**” or the “**Firm**”), a Delaware limited liability company, is an investment adviser located in New York, New York, formed in 2003. Savanna serves as an investment adviser to pooled investment vehicles (the “**Funds**”) and proprietary investment vehicles (“**Proprietary Entities**”) collectively referred to as “**Clients**”. The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to one or more of Section 3(c)(1), 3(c)(5), 3(c)(6) and/or 3(c)(7) of the Investment Company Act. Interests in the Funds are privately offered only to qualified investors and these interests are offered under the private placement exemptions provided by Section 4(2) of the Securities Act of 1933, Regulation D and/or Regulation S promulgated thereunder. Pursuant to an SEC No-Action Letter (American Bar Association, Business Law Section, publ. avail. Jan. 12, 2012), this brochure describes the advisory services provided by Savanna as “filing adviser” as well as SIM II, LLC, SIM Fund III, LLC, Savanna Mezzanine Capital, LLC, SIM Mezz Ventures, LLC, Savanna Project Management, LLC and SIM Services, LLC, and each of the private fund vehicles’ general partners (as listed below) as “relying advisers”.

Savanna currently has 32 employees, 17 of whom perform investment advisory functions. Savanna’s principal owners are Nicholas Bienstock and Christopher Schlank.

From its inception in November 2003 through December 2006, Savanna provided advisory services exclusively to the Proprietary Entities, which are limited liability companies formed for the purposes of “one-off” real estate acquisitions, and owned primarily by Savanna’s affiliated persons, friends & family, and, in some instances, joint ventures between such persons and other real estate firms. Due to the nature and ownership structure of these vehicles, the Proprietary Entities pay minimal fees to the Firm.

In December 2006, Savanna completed the initial closing of its first Fund, and has subsequently closed 14 additional Funds. The Funds are pooled investment vehicles comprised of capital from various institutional and high net worth investors. Except as set forth below, Savanna’s business currently, and for the foreseeable future, is focused primarily on the Funds. However, Savanna continues to provide management services to the Proprietary Entities due to the nature of the assets Savanna invests in (as described more fully below), which are extremely illiquid and often require multiple-year holding periods before they can realize gains.

Since the existing Proprietary Entities will not be acquiring new investments or accepting new investors and the Proprietary Entities are a prior business model of Savanna’s that is currently winding down, the remainder of this Brochure will primarily focus on the Funds, and the advisory services Savanna provides to the Funds.

- B.** Savanna provides discretionary investment advisory services to the Funds. The Funds invest primarily in real estate equity and real estate debt assets, as more particularly described in each Fund's Operative Documents, as defined below. The Firm has historically focused on properties located in the major markets and "central business districts" in the Northeast and Mid-Atlantic Corridor of the United States, including New York City and the tri-state metropolitan region; currently, the Firm focuses on properties located in New York City. The Firm pursues opportunities to invest in transitional and undervalued assets that have the potential to be successfully redeveloped, repositioned and re-tenanted.

Savanna is affiliated with entities that serve as the general partners to each of the Funds (each, a "**General Partner**" and, collectively, the "**General Partners**") and each of the Funds is controlled by its respective General Partner. The following is a list of each of the Fund's General Partners, each of which is an affiliated investment adviser of Savanna:

Fund General Partners:

- Savanna I GP, LLC
- Savanna II GP, LLC
- Savanna IIA GP, LLC
- Savanna III GP, LLC
- Savanna III William GP, LLC
- Savanna III 47th Avenue GP, LLC
- Savanna IV GP, LLC

Additionally, Savanna is affiliated with Savanna Cortex GP, LLC, which serves as the general partner to one of the Proprietary Entities.

- C.** Savanna manages the Funds in accordance with the investment objectives and limitations set forth in each Fund's offering memoranda, governing documents, including subscription agreements and side letters, and the investment management agreement between Savanna and each Fund ("**Operative Documents**"). Savanna utilizes a similar strategy for all its Funds; however, some Funds may differ in their particular investing approaches and/or investment limitations, as specified in each Fund's Operative Documents.

Savanna has, and may in the future, enter into agreements, commonly known as "side letters," with certain investors under which Savanna waives or modifies the application of certain investment terms applicable to such investors, without obtaining the consent of any other investor in the Fund (other than an investor whose rights would be materially and adversely affected by the waiver or modification). Generally, when Savanna does enter into side letters, the provisions are designed to address an investor's legal, tax, investment, or other limitations/objections. Side letters are not intended to alter the material terms by which Savanna provides advisory services.

- D.** Savanna does not participate in wrap fee programs.

- E.** As of December 31, 2016 Savanna managed \$1,238,814,273 in assets on a discretionary basis and \$0 on a non-discretionary basis.

Item 5
Fees and Compensation

- A.** Non-affiliated interests in the Funds are only offered to “qualified purchasers” as defined in the Investment Company Act. As such, Savanna is not required to provide a detailed fee schedule herein. Investors and prospective investors should refer to the Funds’ Operative Documents for a detailed description of the fees associated with investments in the Funds.
- B.** Savanna deducts management fees (the “**Management Fee**”) directly from the Funds’ assets on a quarterly basis. The Firm may also be entitled to a performance fee (the “**Carried Interest Distribution**”), based on realized gains from investments above a performance benchmark. Carried Interest Distributions, if applicable, are deducted directly from Funds’ assets as investments realize gains and not on a pre-determined scheduled.
- C.** The Funds generally bear their own expenses, including but not limited to: fees and out-of-pocket costs and expenses incurred in connection with the formation of the Fund; legal and other expenses incurred in connection with the offer and sale of the interests of the Fund’s investors up to a pre-determined limit; the out-of-pocket charges and expenses of maintaining the Funds’ bank accounts or of any banks, custodians or depositories, including the costs of bookkeeping and accounting services; the out-of-pocket charges and expenses for administering the Funds to the extent that such charges relate to services typically provided by third parties; all out-of-pocket costs incurred by the General Partner or Savanna that are related to the Funds’ operations, including travel costs, fees and other out-of-pocket expenses directly related to the investigation of investment opportunities (whether or not consummated), the acquisition, ownership, management, financing, hedging or sale of its investment, meetings with the investors in the Funds, expenses associated with the preparation and distribution of reports to investors in the Funds; and extraordinary expenses. Investors and prospective investors should refer to the Funds’ Operative Documents for a detailed description of the expenses borne by the Funds. Clients may incur brokerage and other transaction costs to the extent that a Fund may hold publicly-traded securities. Please see Item 12 “Brokerage Practices” for more information.
- D.** Clients are generally required to pay Management Fees quarterly in advance, as specified in each Fund’s Operative Documents. In the event Savanna does not provide services for the full period, any unearned Management Fee is typically required to be returned or credited to investors in the applicable Fund. In general, pursuant to the Operative Documents of the relevant Fund, the amount of fees returned or credited is calculated based on the number of days remaining in the applicable period.
- E.** Neither Savanna nor any of its supervised persons receive, directly or indirectly, any compensation from the sale of securities or other investment products.

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

The General Partners are generally entitled to receive a Carried Interest Distribution, which is based on realized gains from investments above a performance benchmark specified in each Fund's Operative Documents. As interests in the Funds were privately offered only to qualified investors, the Carried Interest Distributions are structured in accordance with the available exemption under Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

The Carried Interest Distribution may create an incentive for the Firm to recommend to the Funds investments that are riskier or more speculative than those which would be made under a different fee arrangement. However, the Firm is committed to acting at all times in the best interests of the Funds. To this end, the Firm has implemented internal controls to address the potential conflicts associated with performance based fees, as more fully described in each Fund's Operative Documents.

The Firm does not manage any Funds that do not charge a Carried Interest Distribution.

Item 7

Types of Clients

As described in Item 4, Savanna provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act. Investors in the Funds are limited to individuals and entities that meet certain suitability criteria including “accredited investors”, “qualified clients” and “qualified purchasers.” The Funds are marketed exclusively to institutional investors and high net worth individuals that meet these criteria.

In general, the minimum investment in a Fund is \$10 million; however, this minimum may be waived at the discretion of the General Partner of each Fund.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

- A. The Funds invest primarily in real estate equity and real estate debt assets, as more particularly described in each Fund's Operative Documents. As described in Item 4 above, the Firm has historically focused on properties located in the major markets and "central business districts" in the Northeast and Mid-Atlantic Corridor of the United States, including New York City and the tri-state metropolitan region; currently, the Firm focuses on properties located in New York City. The Firm pursues opportunities to invest in transitional and undervalued assets that have the potential to be successfully redeveloped, repositioned and re-tenanted.

Savanna employs an opportunistic and value-add strategy to invest in office, retail, residential and industrial real estate. Savanna's in-house operator expertise and experience should allow it to act quickly to underwrite and execute complex transactions in the short time frames often required to secure the most attractive deals. Generally, Savanna makes investments in three categories:

Direct Equity Investments – Directly owning, developing, redeveloping, repositioning, and operating real estate across multiple asset classes in New York City.

Joint Venture Partnerships – Savanna has worked and continues to work as the direct operating partner in joint ventures, sourcing, acquiring, and executing transactions on behalf of and in partnership with major institutional partners. Consistent with past transactions, Savanna, in certain investments, may use joint ventures to leverage the Funds' capital with third-party capital to achieve higher returns with a reduced risk basis for the Funds' investors. In these instances, investors in the Funds may benefit from third-party promotes paid into the Funds by outside partners. Conversely, in other instances investors may be required to pay such promotes to third-parties.

Debt Acquisition and Origination – Savanna selectively invests in performing and nonperforming loans, including first-mortgage interests, B-Notes, mezzanine debt, bridge loans and other debt investments that present compelling opportunities.

Across investment structures, Savanna targets investments in the types of transitional properties in New York City where Savanna believes it can utilize its operational expertise to create value through a repositioning, re-tenanting or redevelopment program. Savanna has an established track record in this space and has solidified a set of relationships with many of the lenders and sponsors that are presently selling and will continue to sell distressed assets. At the core of Savanna's investment approach is a consistent focus on underlying property cash flow and cost basis coupled with strategies to "buy and enhance" to create value.

There can be no assurance that Savanna and the Funds will achieve their investment objectives or that investment strategies employed by Savanna will be successful. The

Firm's investment program is speculative and entails substantial risks, including risk of loss of the entire investment, a risk that the Funds and its investors should be prepared to bear.

As a general matter, Savanna utilizes the methods of analysis and investment strategies described in the Operative Documents. The information contained herein is a summary only. Investors and prospective investors should refer to the Operative Documents for a complete overview of Savanna's methods of analysis and investment strategies.

- B/C.** There can be no assurance that the Firm's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks. The success of Savanna's investment activities will depend on its ability to identify investment opportunities that have the proper risk/reward balance.

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return will be achieved or that there will be any return of capital. The environment for real estate investments is increasingly competitive and an investor should only invest in the Funds if the investor can withstand a total loss of its investment.

No guarantee or representation is made that the Funds' investment programs will be successful.

Risks of Real Estate Investment

All real estate investments are subject to certain risks. Real estate investments are relatively illiquid and, therefore, will tend to limit the Firm's ability to vary the Funds' portfolio promptly in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments will not decrease in the future or that the Firm will recognize full value for any investment that the Funds are required to sell for liquidity reasons. In addition, the ability of the Funds to realize anticipated rental and interest income on equity and debt investments will depend, among other factors, on the financial reliability of its tenants and borrowers, the location and attractiveness of the properties, the supply of comparable space in the areas in which properties are located and general economic conditions.

Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability of property relative to demand, changes in costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the Firm's management. Additionally, the Funds may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the Funds

will reduce the cash available for distribution and may require the Funds to fund deficits resulting from the operation of a property. No assurance can be given that the Funds will have funds available to make such repairs or improvements. These factors and any others that would impede the Funds' ability to respond to adverse changes in the performance of its assets could significantly affect the Funds' financial condition and operating results.

Investment Performance

The Firm makes investments on behalf of the Funds based upon analyses of current returns and estimates and projections of internal rates of return that may be available in potential investments. Investors have no assurance that the Funds' investments will yield the returns expected by the Firm. It is possible that the Funds will not be able to acquire assets at favorable prices or on favorable terms and conditions, thereby reducing expected returns. Acquisitions and debt investments entail risks that investments may not perform in accordance with expectations and that anticipated costs of improvements to bring an acquired property up to standards established for the market position intended for that property may exceed budgeted amounts, as well as general investment risks associated with any new real estate investment. The Firm may not be successful in identifying suitable assets that meet the investment criteria of the Funds or in consummating acquisitions or investments on satisfactory terms. Failures in identifying or consummating investments on satisfactory terms could reduce the number of investments that are completed and slow the Funds' growth.

Potential Lack of Diversification

To the extent the Funds concentrate their investments in one or more specific property types or in a limited number of properties or geographic areas; the Funds will be subject to certain risks relating to concentrated investments. For example, the Funds' financial condition and results of operations could be adversely affected by conditions affecting the Funds' specific property types. Further, if the Funds concentrates their investments in one or more geographic areas, adverse events or conditions that affect that area particularly could have a more negative effect on the financial condition and operations of the Funds than if its investments were more geographically diverse. In addition, because the Funds will have only a limited number of investments, adverse events affecting a particular asset could have a significant negative impact on the financial condition and results of operation of the Funds.

Risks of Potential Leverage

Although the use of leverage may increase the return on the Funds' capital and offer inflation protection, it also creates greater potential for loss. The objectives of the Funds and the nature the Firm's interest in the Funds will likely encourage the Firm to use leverage in structuring transactions. The Firm anticipates that leverage will be incurred by the Funds and/or its subsidiaries. Absent the consent of the Board of Advisors, the Funds' Operative Documents restrict the aggregate amount of leverage that may be incurred by the Funds. There can be no assurance, however, that the Funds will incur any leverage with respect to its investments, as to the amount of leverage, if any, or whether the use of leverage will increase the return on the Funds' equity.

The Funds anticipates that only a small portion of the principal of any mortgage indebtedness, if any, will be repaid prior to its maturity. While, as discussed above, the Funds intend to maintain leverage limits there remains a risk that the Funds may not have funds sufficient to repay such indebtedness at maturity and it may be necessary for the Funds to refinance indebtedness through additional debt financing or equity offerings. If the Funds are unable to refinance this indebtedness on acceptable terms, then the Funds may be forced to dispose of properties upon disadvantageous terms, which could result in losses to the Funds and adversely affect the returns and the amount of cash available for distribution to the investors. If prevailing interest rates or other factors result in higher interest rates at a time when the Funds must refinance such indebtedness, the Funds' interest expense would increase, which would adversely affect the Funds' results of operations and its ability to pay expected distributions to investors. Further, if a property is mortgaged to secure payment of indebtedness and the Funds is unable to meet mortgage payments, the property could be foreclosed upon by, or otherwise transferred to, the mortgagee with a consequent loss of income and asset value to the Funds. Even with respect to nonrecourse indebtedness, the lender may have the right to recover deficiencies from the Funds in certain circumstances, including, but not limited to, fraud and environmental liabilities. Many of these same issues also apply to fund-level credit facilities, which are expected to be in place at various times as well. For example, the loan documents for such facilities may include various coverage ratios, the continued compliance with which may not be completely within the control of the Funds. If such coverage ratios are not met, the lenders under such fund-level credit facilities may declare any unfunded commitments to be terminated and declare any amounts outstanding to be due and payable.

Credit Facility Leverage

The Funds may obtain, or cause one or more subsidiaries to obtain, one or more revolving credit or repurchase facilities based on the aggregate commitments in a Fund as of such date. In connection with any credit facility leverage used by a Fund, the borrowers thereon (and the investors of such Fund) may be required to make certain representations and warranties to one or more lenders. The borrowers thereon (and the investors of such Fund) may also be required to indemnify the lenders pursuant to any credit facility in case any such representations and warranties are inaccurate. These arrangements may create contingent liabilities of the Fund and/or its subsidiaries, for which the Firm may establish reserves or escrow accounts which the Fund will be required to fund a pro rata share. Additionally, if one or more banking institutions, which are a party to such credit facility, fails to fund a request (or any portion of such request) by a Fund to borrow money, the Fund's ability to make investments, fund operations and pay debt service could be reduced, each of which could adversely affect the Fund's operations.

Risk of Bridge Financings

The Funds may make an investment with the intent of financing or otherwise reducing a Fund's investment shortly after the closing of such investment. There can be no assurance in such instances that the Fund will be successful in completing such financings or other

transactions designed to reduce or leverage the Fund's investment, or that the terms of such financings will be attractive when closed. If the Fund is unable to complete such an anticipated transaction, then its investments will be less diversified than management and Savanna may have intended.

Interest Rate and Hedging Risks

The Funds may incur indebtedness that may bear interest at variable interest rates. Variable interest rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect the Funds (for example, borrowing costs may increase but there may not be a corollary increase in tenant rent payments to the Funds). The Funds' performance may be adversely affected by a fluctuation in interest rates if it utilizes variable rate mortgage financing and fails to employ an effective hedging strategy to mitigate such risks, including engaging in interest rate swaps, caps, floors and other interest rate contracts, and buying and selling interest rate futures and options on such futures. Should the Funds elect to borrow at a variable interest rate and to employ such a hedging strategy, the use of these instruments to hedge a portfolio carries certain risks, including the risks that losses on a hedge position will reduce the Funds' earnings and funds available for distribution to the investors and that such losses may exceed the amount invested in such instruments. Even if used, hedges may not perform their intended purpose of minimizing and offsetting losses on an investment. In addition, to the extent that the Funds conducts such activities through a REIT Subsidiary, it will be subject to the limitations on such activities applicable to REITs.

Investments Unspecified

The capital contributions of the investors are intended to be invested in assets that have not yet been selected. Investors will not have an opportunity to evaluate for themselves the investments in which the Funds' capital will be invested or the terms of these investments. The investors must depend upon the abilities of the General Partners and the Firm with respect to the selection of investments. Because such investments may occur over a substantial period of time, the Funds face the risk of changes in long-term interest rates and other adverse changes in market conditions.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, the Funds may be required to make certain representations and warranties about the investment. The Funds may also be required to indemnify the purchasers of such investment in case any of the representations and warranties are inaccurate. These arrangements may create contingent liabilities of the Funds, for which the Firm may establish reserves or escrow accounts, or for which investors' distributions could under certain circumstances be subject to being "clawed back".

Investment in Troubled Assets

The Funds may originate performing debt investments and may acquire not only performing, but sub-performing or non-performing debt interests as well, which are

secured directly or indirectly by real estate. In addition to the risks of borrower default, the collateral may be mismanaged or otherwise decline in value during periods in which the Funds are seeking to obtain control of the underlying real estate. It is possible that the Funds may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased or originated by the Funds. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Investments in assets operating in workout modes under Chapter 11 of the Bankruptcy Code, or the equivalent in non-U.S. jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which may exceed the value of the Fund's original investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or counterclaims may be filed and lenders may be found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to their investors may be reclaimed to the extent that any such payment or distribution originated with a troubled asset and is later determined to have been a fraudulent conveyance or preferential payment. Bankruptcy laws may delay the ability of the Funds to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

Redevelopment Risks

Some assets acquired by the Funds may require redevelopment in order to meet the Funds' investment strategy. Redevelopment activities are subject to risks, including, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, public and private opposition to projects, unexpected increases in cost, delays in the completion of construction and the possibility that construction or permanent financing may not be available on favorable terms. In addition, redevelopment activities may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations, defects in plans and specifications or other factors. Any delay in completing the redevelopment of an asset may result in increased interest and costs and the potential loss of previously identified purchasers or tenants. If any of these risks should occur they could result in substantial unanticipated delays or expense and, under certain circumstances, could prevent completion of a development or redevelopment opportunity once undertaken, any of which could have a material adverse effect on the Funds and on the amount of funds available for distribution by the Funds.

Risks Associated with Credit Lease Loans

The Funds may invest in credit lease loans (“**Credit Lease Loans**”). Each underlying borrower is expected to be an entity limited by the related mortgage loan documents solely to owning, operating and leasing the related mortgaged properties or the entity which owns the related mortgaged properties and is not expected to have any material assets other than those related to its interest in such mortgaged properties. As a result, debt service payments on such mortgage loans, and payments on any Credit Lease Loans are expected to depend principally on the payments made by the respective tenants or guarantors under each credit lease and consequently on the credit worthiness of any such tenant or guarantor. If an event of default occurs under a related credit lease (including a default arising from the commencement of a bankruptcy case involving the tenant or guarantor) there could be an interruption in the timely payment of rental payments under the related credit lease or guaranty or the amount of such payment may be reduced. As a result, the borrower may be unable to make the required debt service payments with respect to the related Credit Lease Loan. Moreover, if an event of default occurs or a credit lease is rejected in a tenant bankruptcy case, realization of amounts owing under such lease or loan may be substantially reduced, and substantial delays and expenses may occur in the borrower obtaining possession of the mortgaged property through eviction or similar proceedings under applicable law or releasing or selling the mortgaged property. If a mortgaged property is relet, the rental payments generated by releasing the mortgaged property may be substantially less than the rental payments due under the related credit lease and less than amounts owed under the related Credit Lease Loan. In addition, Credit Lease Loans may be affected by the risks described above with respect to Commercial Mortgage Loans and commercial real estate related securities. The Credit Lease Loans are generally expected to be triple-net credit tenant loans, which means that the tenant (i) has no right to terminate or abate rent, except for certain limited events, and (ii) is required to pay all costs and expenses associated with the operation, repair and maintenance of the property, except for certain limited circumstances.

Additionally, Credit Lease Loans may not require principal payments until maturity, and thus may require payment in full of the balance at maturity (i.e., balloon loans). Balloon loans pose a special payment risk because at maturity, the lessee must either (i) purchase the property for an amount equal to the outstanding balance or (ii) cause the respective mortgaged property to be sold whereby the proceeds from such sale will be used to repay the Credit Lease Loan. If the lessee is unable to pay the lump sum upon default or final maturity or to refinance such amount at final maturity, the Funds may suffer losses if the collateral for such Credit Lease Loan is insufficient or unavailable to pay the related loan.

Special Risks Relating to Commercial Mortgage Loans

Commercial mortgage loans (“**Commercial Mortgage Loans**”) have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties are generally subject to relatively greater

environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations.

Commercial Mortgage Loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower’s equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property. Mortgage loans generally are non-recourse to borrowers, although it is occasionally necessary to provide a level of recourse to secure a loan. In the event of foreclosure on a Commercial Mortgage Loan, the value of the collateral securing the mortgage loan at the time of foreclosure may be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon. If recourse is provided, the lender may pursue it.

Commercial Mortgage Loans are also subject to the effects of (i) the ability of tenants to make lease payments, (ii) the ability of a property to attract and retain tenants, which may in turn be affected by local conditions such as oversupply of space or a reduction in demand for rental space in the area, the attractiveness of properties to tenants, competition from other available space and the ability of the owner to pay leasing commissions, provide adequate maintenance and insurance, pay tenant improvement costs and make other tenant concessions, (iii) interest rate levels and the availability of credit to refinance such loans at or prior to maturity, (iv) compliance with regulatory requirements and applicable laws, including environmental controls and regulations, and (v) increased operating costs, including energy costs and real estate taxes. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under the terms of leases with respect to commercial properties and such tenants may seek the protection of the bankruptcy laws, which can result in termination of lease contracts.

If the properties securing Commercial Mortgage Loans do not generate sufficient income to meet operating expenses, debt service, capital expenditure and tenant improvements, the obligors under the Commercial Mortgage Loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations.

Risks Associated with Mezzanine Loans

The Funds may make or invest in mezzanine loans (“**Mezzanine Loans**”). Mezzanine Loans typically are unsecured and subordinate to other debt obligations of the borrower, and therefore have more risk of loss than senior debt. Mezzanine Loans may include loans secured by one or more direct or indirect ownership interests in a company, partnership or other entity owning, operating or controlling, directly or through subsidiaries or affiliates one or more commercial properties. Although not secured by the underlying real estate, repayment of a Mezzanine Loan is dependent on the successful operation of the underlying commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. As a result, the effective realization on the collateral securing a Mezzanine Loan in the event of default may be limited.

Mezzanine Loans may increase the Funds’ exposures to adverse economic factors such as significantly rising interest rates, severe downturns in the economy and deterioration in the condition of the borrower or other obligor on the Mezzanine Loan or the real estate industry as a whole. In the event that any borrower or other obligor on a mezzanine loan is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of the Fund’s investment in such Mezzanine Loan could be significantly reduced or even eliminated. In addition, changes in the interest rates may adversely affect the value of a Mezzanine Loan. Longer-term debt obligations are usually more sensitive to interest rate changes.

Mezzanine Loans may also involve certain additional considerations and risks. For example, the terms of Mezzanine Loans may restrict transfer of the interests securing such loans (including an involuntary transfer upon foreclosure) or may require the consent of the senior lender or other members or partners of or equity holders in the related real estate company, or may otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a Mezzanine Loan or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

Variable Rate Mortgages

The Funds may acquire investments subject to financing that provides for adjustments in the interest rate at various monthly, annual or other intervals. An increase in the interest rate as a consequence of any such adjustment: (i) would result in less income to the Funds; (ii) may reduce distributions to investors; (iii) may cause negative amortization; and (iv) may cause the sale of an investment prematurely or on less favorable terms than might otherwise be obtained. Similarly, with respect to debt held by the Funds that is based on variable interest rates, the Funds are subject to the risk that such interest rates may decline.

Property Taxes and Risk of Property Reassessments

Real property owned by the Funds or real property that secures (directly or indirectly) an investment of the Funds will likely be subject to real property taxes and, in some instances, personal property taxes. Such real and personal property taxes may increase as property tax rates change and as the properties are assessed or reassessed by taxing

authorities. An increase in property taxes on the Funds' real property could adversely affect the Funds' results from operations and could decrease the value of that real property. An increase in property taxes on real property that secures an investment of the Funds could adversely affect the ability of the borrower to make payments to the Funds, which in turn may also adversely affect the value of the relevant asset held by the Funds.

Litigation at the Property Level

The acquisition, ownership and disposition of real properties carry certain litigation risks, which could result in losses to the Funds. Litigation may be commenced with respect to a property acquired by the Funds or their subsidiaries in relation to activities that took place during or prior to the Funds' acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of the Funds' efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Funds under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence. The Funds may also be exposed to litigation resulting from the activities of tenants, service providers, visitors, vendors or others who enter the property or engage in business with it.

Investors and prospective investors will be provided with offering memoranda for each Fund that contains a detailed description of certain material risks related to an investment in such Fund. All such risk factors are applicable to the Funds generally. Investors and prospective investors are advised to carefully review all risk factors set forth in such offering memoranda, and current investors may contact Savanna for a complete set of any additional risk factors.

Cybersecurity Risks

Savanna, the Clients and their respective service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that Savanna, the Clients and their service providers use to service the Clients' operations; or operational disruption or failures in the physical infrastructure or operating systems that support Savanna, the Clients and their service providers. Cyberattacks against or security breakdowns of Savanna, the Clients or their service providers may adversely impact the Clients and their investors, potentially resulting in, among other things, financial losses; the inability of us or the investors to transact business and the Clients to process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. Savanna and the Clients may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also affect issuers of securities in which the Clients invest, which

may cause a Client's investment in such issuers to lose value. There can be no assurance that Savanna, a Client or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Real Estate Capital Markets

The real estate capital markets are dynamic, continually evolving and impacted by many variables. The Funds' strategies, targeted investments, targeted portfolio compositions and targeted returns have been formulated based on the current environment at the launch of each Fund. The real estate capital markets, financing techniques and products are likely to materially change over the term of each Fund, and adapting to such changes and/or each General Partner's inability to successfully adapt the relevant Fund to some or all of such changes may negatively impact the performance of the Funds.

Adverse Developments in Debt Capital Markets

Despite the apparent recovery from the recent recession, tight credit conditions persist. Continued concerns about the systemic impact of possible inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased market volatility and diminished expectations for the global economy. These conditions, combined with modest improvements in business and consumer confidence, have contributed to exceptional volatility in the markets and have led to an overall reduction in liquidity in the debt capital markets, including sources of liquidity that the Funds may wish to utilize.

Item 9
Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving either Savanna or any of its management persons that would be material to an investor's evaluation of Savanna's advisory business or integrity of its management.

Item 10
Other Financial Industry Activities and Affiliations

- A.** Neither Savanna nor any of its management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.
- B.** Neither Savanna nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C.** Savanna does not have any relationship or arrangement that is material to its advisory business or the Funds with the types of entities described in this section.

However, Savanna Commercial Services, LLC, an affiliate under common control with the Firm, is a real estate broker. Savanna Commercial Services, LLC receives leasing commissions from certain properties, which are owned by investment vehicles advised by Savanna. Additionally, Savanna Project Management, LLC, an affiliate under common control with the Firm, receives construction oversight fees from certain properties, which are owned by investment vehicles advised by Savanna. Additionally, certain of Savanna's affiliates have been engaged to act as asset managers for certain investment vehicles, none of which are advisory clients of Savanna, and receive fees therefrom. These fees are not paid by Savanna or any of its Clients.

- D.** Savanna does not recommend or select other investment advisers for the Funds.

Item 11

Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

- A. Savanna has adopted a written Code of Ethics (the “**Code**”), which is designed to promote high ethical standards and reflect the Firm’s fiduciary duties and responsibilities to its Clients. The Code establishes the standard of business conduct that all employees must follow and is designed to prevent prohibited acts and mitigate potential conflicts of interest between the Firm, its employees and its Clients.

Under the Code, the Firm’s employees must act in the best interests of Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Savanna’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Savanna or its employees.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading of Savanna’s employees. The Code prohibits employees from engaging in personal trading in the securities of issuers on the Firm’s restricted list; generally prohibits purchasing securities in an initial public offering; requires pre-clearance before purchasing securities in a limited offering (*i.e.*, a private placement); requires employees to provide duplicate brokerage accounts statements and trade confirmations to the Firm or to report all securities transactions on at least a quarterly basis; and requires employees to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information and policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment, including limitations and reporting requirements; and pre-clearance and reporting of political contributions. Clients or investors may request a copy of Savanna’s Code at the number provided on the cover page of this brochure.

- B. Neither Savanna nor any related person recommends to Clients, or buys or sells for Client accounts, securities in which the Firm or any related person has a material financial interest.
- C. Neither Savanna nor any related person invests in the same securities that the Firm or any related person recommends to Clients.
- D. Neither Savanna nor any related person recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time the Firm or any related person buys or sells the same securities for their own accounts.

Item 12
Brokerage Practices

- A.** Due to the nature of the Firm's strategy, Savanna does not utilize broker-dealers for transactions. As of the date of this filing, Savanna does not engage in soft dollar arrangements with broker-dealers; consider Client referrals when selecting or recommending a broker-dealer; or engage in directed brokerage. If, in the future, the Firm does utilize broker-dealers for transactions, this section will be updated accordingly.
- B.** Due to exclusivity clauses in each Fund's Operative Documents, and the nature of the assets the Funds invest in, Savanna does not generally aggregate the purchase or sale of securities for various Client accounts. Savanna will only aggregate the purchase or sale of securities for multiple Funds in situations that it believes are beneficial to all Clients involved and only in accordance with the terms of the Operative Documents for such Clients.

Additionally, in the unlikely event that the Firm decides to aggregate the purchase of a particular investment and allocate such investment among more than one Fund, the Firm will be required to receive approval from each relevant Fund's advisory committee. Each advisory committee is comprised of certain investors, unaffiliated with Savanna, in each respective Fund.

Item 13
Review of Accounts

- A.** Savanna’s senior management team, including Managing Partners, Managing Directors, Directors, Vice Presidents, Associates and Analysts (“**Investment Professionals**”) review the contents of the Funds’ portfolios informally on a continual basis. Additionally, on a weekly basis, Savanna’s Investment Professionals formally review the Funds’ investments. During these weekly meetings, each investment held by a Fund is reviewed and discussed.
- B.** More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios, including changes in the financial markets and activity and trends in the political or economic environment.
- C.** Within 120 days after each Fund’s fiscal year-end and in accordance with each Fund’s Operative Documents, audited financial statements are prepared by an independent accountant pursuant to Generally Accepted Accounting Principles (“**GAAP**”) and are distributed to each investor in the Funds (see Item 15). The Firm also seeks to provide unaudited performance information for the Funds to investors within 45 days after each calendar quarter-end. Such quarterly reports include the mark-to-market value of each investor’s interest in the respective Fund, pursuant to GAAP and based on the unaudited fair market value of the relevant Fund’s holdings.

Item 14
Client Referrals and Other Compensation

- A.** No one other than the Clients provides an economic benefit to Savanna for providing investment advice or other advisory services to the Clients.
- B.** Neither Savanna nor any related person directly or indirectly compensates any person who is not a supervised person for Client referrals. However, Savanna does use an unaffiliated third party for investor referrals, the cost of which is borne entirely by the Firm.

Item 15

Custody

Savanna does not maintain physical custody of its Clients' assets; all cash and any securities for the Clients are held in custody by independent qualified custodians. However, Savanna has access to Client accounts since it or an affiliate serves as the general partner or managing member of each Client and is thus deemed to have custody of such assets under Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**"). Accordingly, Savanna adheres to the applicable requirements of the Custody Rule with respect to each Client for which it or an affiliate serves as general partner or managing member. Savanna's Chief Financial Officer arranges for an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, to either: i) independently audit the Clients on an annual basis, pursuant to the exemptions provided under Rule 206(4)-2(b)(2)(ii); or ii) verify all of the funds and securities by actual examination at least once during calendar year at a time that is chosen by the accountant, pursuant to Rule 206(4)-2(a)(3)(ii)(B) and file a certificate on Form ADV-E with the SEC within 30 days after the completion of such examination.

Item 16
Investment Discretion

Savanna has full discretionary authority to manage the assets of the Funds, subject to limitations set forth in each Fund's Operative Documents. As described more fully in each Fund's Operative Documents, Savanna is granted power of attorney over each Fund's assets, including the right to pursue an investment program in its discretion, subject to certain limitations set forth in each Fund's Operative Documents. When selecting securities and determining amounts, Savanna adheres to the limitations and restrictions of the Funds for which it advises.

Item 17
Voting Client Securities

- A.** Savanna's investment strategy typically does not involve the acquisition of public securities with voting authority. In the unlikely event that any Funds do come into possession of securities with voting rights, the Firm will have the authority to vote proxies and will seek to do so in the best interest of the Funds. Generally, Savanna will vote in line with company management when voting proxies. Savanna reserves the right; however, to vote against management, or abstain from voting, if, in its discretion, the Firm determines that it would be in the best interest of the Funds to do so. Occasions may arise in which the Firm is required to vote a proxy while having a conflict of interest with a Fund. To protect the Funds against a breach of the Firm's duties to them, on any occasion when a proxy vote presents a conflict of interest, the Firm will consult on the matter and conduct a conflict analysis accordingly.

Clients may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting Savanna at the number listed on the cover page of this brochure.

- B.** Not applicable.

Item 18
Financial Information

- A.** Savanna does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. As such, Savanna is not required to include a balance sheet for its most recent fiscal year.
- B.** Savanna is not aware of any financial conditions reasonably likely to impair its ability to meet contractual or other commitments to the Clients.
- C.** Savanna has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19
Requirements for State-Registered Advisers

Not applicable.