

Cherokee Investment Partners, LLC

Part 2A of Form ADV

111 East Hargett Street, Suite 300
Raleigh, North Carolina 27601

<http://www.cherokeefund.com/>

March 29, 2018

This brochure provides information about the qualifications and business practices of Cherokee Investment Partners, LLC (“CIP”). If you have any questions about the contents of this brochure, please contact us at 919-743-2500.

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

CIP is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2 Material Changes

Since its last annual brochure dated March 2017, CIP has made one material change to its brochure to disclose the change in ownership of CIS summarized in Item 10.

Item 3 Table of Contents

Item 2 Material Changes	2
Item 3 Table of Contents	2
Item 4 Advisory Business	2
Item 5 Fees and Compensation	3
Item 6 Performance Based Fees and Side-by-Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 Disciplinary Information	10
Item 10 Other Financial Industry Activities and Affiliations	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12 Brokerage Practices	12
Item 13 Review of Accounts	13
Item 14 Client Referrals and Other Compensation	13
Item 15 Custody	14
Item 16 Investment Discretion	14
Item 17 Voting Client Securities	14
Item 18 Financial Information	14

Item 4 Advisory Business

The predecessor to Cherokee Investment Partners, LLC (“CIP” or “the Advisor”) was founded in 1993; the Advisor is owned by Thomas Darden and John Mazzarino (“Managing Principals”). CIP provides investment advisory services to private investment funds (the “Funds”). The Funds seek to provide investment returns primarily through the acquisition, remediation and redeployment of environmentally impaired real estate investments. CIP has affiliated entities that serve as the General Partners of the respective Funds. Each Fund is managed by its respective General Partner. For ease of reference, CIP and any General Partner to a Fund are referred to, collectively, throughout this Brochure as “CIP.”

CIP is responsible for identifying investment opportunities for the Funds, as well as facilitating the acquisitions, monitoring, and disposition of each of the Funds’ investments. CIP tailors its advisory services to the individual needs of each Fund, in accordance with the investment objectives, strategies and limitations (if any) described in each Fund’s Private Placement Memorandum and Limited Partnership Agreement (herein referred to as “offering documents”). As of December 31, 2017, CIP managed \$278,320,000 on a discretionary basis. This amount was calculated consistent with the method used to calculate regulatory assets under management.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds were offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements.

Advisory Board

Each Fund has an Advisory Committee (in one Fund referred to as Board of Advisors) and Executive Committee (collectively, the “Advisory Boards”). The Advisory Boards are established to review and resolve certain conflicts of interest between CIP and the respective Fund. The members serving on each Advisory Board are representatives of Limited Partners (or “Investors”) in the Funds, unaffiliated with CIP

Item 5 Fees and Compensation

Fees are determined and assessed in a manner specific to each Fund. For the specific fees charged by each Fund, please refer to the offering documents for that Fund. The fees paid by the Funds may be negotiable in special circumstances. Certain fees may be deferred or waived from time to time at the discretion of CIP. Broad classes of fees are outlined below:

Management Fees

As compensation for investment advisory services rendered to a Fund, each Fund is charged an annual management fee, payable to CIP semi-annually in advance (“Management Fee”). In general, while details vary by Fund, the Manager would be expected to repay the Fund for the unearned portion of management fee, if any, in the instance of a termination of the Manager or the Fund. Management fees during the investment period of the Fund generally are based on aggregate capital commitments of the limited Partners and are based on capital contributed for unrealized investments thereafter. The management fees are negotiated collectively with the limited Partners of each Fund, and are subject to waiver or reduction by CIP. Management fees during the commitment period typically range from 1.00% to 1.90%. Management fees after the commitment period are, at least with two of the Funds, reduced by 50% or more after the closing of a successor fund.

Carried Interest

A portion of each Fund’s net investment profit is allocated to the capital account of its General Partner as “carried interest” if certain return criteria are met. The manner of calculation of such carried interest is disclosed in the offering documents, and may vary by fund. Generally, however, the General Partners receive carried interest up to 30% of realized profits above certain return thresholds (subject to clawback).

As is the case with Management Fees, CIP and its affiliates reserve the right to waive or reduce carried interest for certain investors, including employees, a limited number of strategic partners, advisors and consultants and others as may be determined in CIP’s sole discretion.

Organizational and Offering Fees and Expenses

CIP will generally bear its overhead costs for office space and facilities incurred in performing services for the Funds, as well as the salaries and benefit costs of its employees. Each Fund bears all legal, accounting, filings and other organizational and offering expenses (including travel expenses and printing

costs) incurred in the formation of such Fund, its General Partner, and the offering of such Fund, up to an amount not to exceed a limit set forth in its offering documents, which limit varies from Fund to Fund but has not been set higher than \$1,500,000 for any Fund (“Organizational Expenses”). A Fund’s Organizational Expenses in excess of its limit will be paid by the Fund but borne by CIP through a 100% offset against the Management Fee.

Partnership Expenses

Each Fund pays all costs, expenses and liabilities in connection with its operations (the “Partnership Expenses”), including but not limited to fees, costs and expenses related to management fees; the preliminary investigation of investments, purchase, holding, financing, hedging and sale of investments (to the extent not reimbursed); brokerage commissions, custodial expenses and other investment costs actually incurred in connection with investments; principal, interest on and fees and expenses arising out of all borrowings made by such Fund; costs and expenses of its Advisory Committee and Executive Committee and its annual meeting; insurance, including D&O insurance; expenses of preparing and distributing reports to the limited partners; auditing, accounting, banking and consulting expenses; litigation and indemnity expenses; taxes and other governmental charges, fees and duties payable; ongoing legal expenses (which include expenses incurred in connection with a Fund’s legal and regulatory compliance with U.S. and non-U.S. laws and regulations and expenses incurred in connection with complying with provisions in side letter agreements, including “most favored nations” provisions) expenses of liquidating the Fund; costs of winding up and liquidating the Fund; and other extraordinary expenses. Certain of the services described above are provided by Cherokee Investment Services, Inc. (“CIS” or “Cherokee Services”), an entity previously affiliated with CIP (see Items 8 and 10 for further information, including a description of the change in the relationship between CIP and CIS), including planning and design; property development, management and operations; deal-sourcing and execution; environmental risk management; project accounting and managing project and fund books and records; and other services. The services provided by CIS are paid for by the Funds, at cost (no profit mark-up by CIS).

Each Fund also bears third-party, out-of-pocket expenses incurred by or on behalf of the Fund or any alternative investment vehicle in connection with transactions not consummated.

Transaction Fees

Neither the Manager nor the General Partner will receive any transaction fees, such as acquisition, disposition, financing or other similar fees in connection with the operation of the Funds.

Side Letters

CIP may enter into side letter or other similar arrangements with limited partners that have the effect of establishing or otherwise benefiting such investor in a manner more favorable than the rights and benefits described in the Funds offering documents. Rights and benefits that are more favorable in any material respect may be afforded to a limited partner based upon its commitment level, and the same favorable rights and benefits may be extended to other limited partners in accordance with each respective Fund’s offering documents. These rights and benefits include but are not limited to most favored nation status, Advisory Committee and Executive Committee designations, capacity, investment restrictions, reporting requirements, tax considerations, and other terms and conditions.

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

Please see the section titled “Carried Interest” under Item 5 above for a description of the performance based fees allocable to the Funds’ General Partners. CIP is entitled to receive a portion of the distribution of current income and proceeds as incentive compensation as set forth in each Fund’s offering documents. The fact that a significant portion of the Advisor’s compensation (and its affiliates’ and investment professionals’ compensation) is directly computed on the basis of profits generated by the sale or disposition of Fund assets may create an incentive for CIP to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

Item 7 Types of Clients

CIP provides discretionary investment advisory services to the Funds. Investors in the Funds may include, but are not limited to, pension plans, endowments, corporate and business entities, endowments and foundations, trusts, and high net worth individuals. The Funds have minimum capital commitments for limited partners, as specified in the offering documents for each respective Fund, which are negotiable by CIP. Each investor is required to meet certain suitability qualifications, such as being an “accredited investor” or a “qualified purchaser” within the meaning set forth under the federal securities laws.

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

Investment Analysis

Investing in environmentally impaired assets requires thorough environmental and real estate due diligence, as well as structuring of the transaction to ensure proper risk protection. CIP has developed a screening process and assembled an experienced management team to assess and oversee the acquisition of environmentally impaired real estate. The screening process for potential investments involves several steps, which vary depending on the type of asset being proposed for acquisition. Generally, as part of the screening process, CIP works alongside local service providers, including operating partners, deal partners, property management and leasing professionals, lenders, brokers, and other professionals within the real estate sector. Together, they perform reviews of the contaminated asset generally including: review of prior environmental studies; identification of known contaminants; analysis and performance of any soil and water surveys; quantification of remediation costs based on the potential future uses (i.e., parking lot, manufacturing plant, office building, etc.); negotiation of remediation and repositioning steps with environmental regulators and local officials to receive proper permits, zoning changes (if necessary) or other approvals; and negotiation of for tax incentives.

Generally, subsequent to the screening process above, a written summary is prepared describing the due diligence conducted on the proposed investment, and this summary is provided to the Investment Committee. The Investment Committee is comprised of Thomas Darden, John Mazzarino, Bret Batchelder and Jim Fogleman. The Investment Committee reviews investment decisions for the Funds; the final determination for an investment is made by Thomas Darden and John Mazzarino.

Investment Strategies

The Funds’ investment objectives are to realize long-term capital appreciation primarily by investing, directly or indirectly, in environmentally impaired real estate assets or real estate companies and real estate related companies (each such transaction or series of transactions in single or multiple assets, an “investment”) where value may be improved through active management and development of such assets and companies through remediation, risk-transfer methods and otherwise. CIP seeks to avoid

contaminated sites with severe technical problems or where cleanup costs cannot reliably be quantified to focus on properties where the cleanup outcome is reasonably predictable.

CIP has a comprehensive process through which it actively targets potential sellers of specific types of real estate investments, both by geography and use, and specific industries that are prone to environmental contamination. In pursuing environmentally impaired assets, CIP has developed a set of tactics that it uses to effect transactions with owners and, perhaps more importantly, create the potential for up-front value. Historically, CIP has relied primarily on the following: (i) insurance-backed indemnities to persuade sellers to transact; (ii) real estate skills to determine value if clean; (iii) environmental expertise to manage risk; (iv) deal structuring knowledge to mitigate financial downside; and (v) regulatory relationships to achieve a negotiated return to clean status early in the process or prior to purchase.

The Funds may participate in joint ventures with unaffiliated third party entities in certain transactions.

Risk of Loss

The descriptions contained below are a brief overview of certain risks related to CIP's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. For a further discussion of applicable risks, please see each Fund's offering documents.

General Investment Risks

Limited Partners should also refer to the risks described in the offering documents for each respective Fund. Investments in the Funds involve a significant degree of risk and are generally illiquid. Similarly, the investments made by the Funds are risky and illiquid. A Fund investor should not invest in a Fund unless the investor is able to withstand a total loss of its investment in the Fund. Even if the investments of a particular Fund are successful, they may not produce a realized return to Fund investors for a period of years. There is no assurance that any Fund will achieve its investment objective. Investing in securities and other investments involves a risk of loss that the Funds and limited partners should be prepared to bear.

Real Estate

Investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, changes in building, environmental and other laws and/or regulations, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the General Partner. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale.

Environmental Matters

The Funds may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or

insurance proceeds for such matters that have been previously identified. The Funds are subject to a wide range of federal, state, local and foreign environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner or operator knew of, or caused, the presence or release of such substances. Environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of substances, or the failure to properly remediate related contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on the Fund's return from such investment. In addition, remediated property may attract a limited number of potential purchasers because of the property's history of contamination, which might also adversely affect the marketability of the property. It is also possible that, as an owner and operator of contaminated or potentially contaminated real estate, the Fund could be exposed to third-party claims, including without limitation, property damage, personal injury and natural resource damage claims by adjoining or nearby landowners or residents or by regulatory agencies. Also, the enactment of new environmental laws or regulations or changes in existing laws or regulations (or in their enforcement) may result in clean-up costs that could adversely affect the Fund or CIP's business in the future.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the investment will not cause injury to the environment or to people under all circumstances or that the investment will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and there can be no assurance that investments will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of the investment could also result in material personal injury or property damage claims.

In addition to the potential environmental liability discussed above, investments in environmentally impaired assets involve numerous business judgments relating to the estimated costs of future investigations, removals and remediations which may exceed cost projections or take longer than anticipated, the availability and costs of insurance, the likelihood and nature of third-party claims relating to environmental conditions, the marketability of properties impacted by residual contamination and the effect of governmentally imposed land use restrictions.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Funds) subject to environmental liability. However, a limited partner investor in the Funds may reduce its risk of such personal liability by avoiding activities with respect to the Funds' investments other than as specifically contemplated by the Funds' offering documents.

Investment in Troubled Assets

The Funds may make substantial Investments in nonperforming or other troubled assets which involve a degree of financial risk and are experiencing or are expected to experience severe financial difficulties, which may never be overcome. The Investments may have been originated by financial institutions that are insolvent, in serious financial difficulty or no longer in existence; and, as a result, the standards by

which such Investments were originated, the recourse to the selling institution or the standards by which such Investments are being serviced or operated may be adversely affected. In addition, certain of the Funds' Investments may become subject to the U.S. Bankruptcy Code or other similar laws of other jurisdictions. Investments in properties operating under the close supervision of a mortgage lender or under Chapter 11 of the U.S. Bankruptcy Code or other similar laws of other jurisdictions are, in certain circumstances, subject to certain additional potential liabilities which may exceed the value of the Funds' original Investment therein. 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 may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment of the equivalent under the laws of certain jurisdictions.

Market Conditions

The Funds' strategy may in some Investments be based, in part, upon the premise that real estate businesses and assets will be available for purchase by the Funds at prices that the General Partner considers favorable. Furthermore, the Funds' strategy relies, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, upon more favorable market conditions existing prior to the termination of the term of the Funds'. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the General Partner.

Financial Market Fluctuations

General fluctuations in interest rates and the market prices of securities and other assets may adversely affect the value of the Funds' Investments. Instability in interest rates and the securities markets may also increase the risks inherent in the Funds' Investments. The ability of a particular issuer to refinance debt securities may depend on its ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise.

Risk of Limited Number of Investments; Lack of Diversity

The Funds may participate in a limited number of Investments, and as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single Investment. Limited Partners have no assurance as to the degree of diversification in the Funds' Investments, either by geographic region or asset type. In addition, in transactions where CIP intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of a Fund having an unintended long-term Investment and/or reduced diversification.

Legal Risks

U.S. federal and state laws and regulations and the laws and regulations of other jurisdictions, particularly those relating to environmental laws and regulations, foreign investment and taxation, including any programs created thereunder, such as tax increment financing programs, brownfield reimbursement programs and any other state sponsored brownfield incentive program, may be changed, amended, repealed, no longer applicable or subject to evolving interpretation. Further, situations may arise where legal action may be pursued in multiple jurisdictions.

Hedging and Risk Transfer Policies/Risks

In connection with certain Investments, the Funds may employ hedging and risk transfer techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange rates and/or other risks. While such transactions may reduce certain risks, such transaction themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these mechanisms, unanticipated changes in interest rates or other events may result in a poorer overall performance for the Funds than if they had not entered into such transactions.

Uncertainty of Targeted or Projected Returns

The Funds will make Investments based on CIP's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of the Funds' assets, the amount and terms of available financing, remediation, insurance and other related costs, and the manner and timing of dispositions, including possible asset recovery, all of which are subject to significant uncertainty. In addition, events or conditions which have not been anticipated may occur and may have a significant effect on the actual rate of return received upon the Funds' Investments. The Funds may make Investments which may have different degrees of associated risk. In considering the performance information contained in the Funds' Private Placement Memoranda, prospective investors should bear in mind that past, targeted or projected performance is not necessarily indicative of future results, and there can be no assurance that targeted or projected returns will be achieved, that the Funds will achieve comparable results or that the Funds will be able to implement their investment strategies or achieve their investment objectives.

Potential Conflicts of Interest

Investors should be aware that there will be occasions when CIP and its affiliates may encounter potential conflicts of interest in connection with the Funds. The following discussion enumerates certain, but not all, potential conflicts of interest, which should be carefully evaluated before making an investment in the Funds.

Allocation of Investment Opportunities with Other Vehicles and Conflicting Fiduciary Duties to Other Collective Investment Vehicles

CIP may, from time to time, be presented with investment opportunities that fall within the investment objectives of the Funds on the one hand, and any other vehicle on the other hand, and in such circumstances, CIP will allocate such opportunities among the Funds and the other vehicles on a basis that CIP reasonably determines in good faith to be fair and reasonable, taking into account the sourcing of the transaction, the nature of the investment focus of the other vehicle, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Funds, and other considerations deemed relevant by CIP in good faith.

Other Activities of the Managing Principals; Cherokee Services

The Managing Principals will continue to devote such time and attention to Fund II (dissolved at the end of 2016), Fund III (in dissolution), Fund IV (in dissolution), CCP, L.P. (not active), the REIT Platform (not active) and other permitted activities, as is required to discharge their duties relating to such activities. Also, as a result of their existing investments and activities, the Managing Principals and their affiliates may from time to time acquire confidential information that they will not be able to use for the benefit of the Funds. As provided for in the Partnership Agreements, CIP will in certain cases engage

service providers, including Cherokee Services. As described in Item 10, Cherokee Services is no longer affiliated with CIP, as ownership was conveyed from Thomas Darden and John Mazzarino to CIS employees in 2017. However, due to the former affiliation, CIP may have an incentive to cause the Funds to engage Cherokee Services instead of third parties performing the same or similar services.

Concentration of Interests

The Interests of the Funds may be held by a relatively small number of Limited Partners, including certain Limited Partners who have made substantial Capital Commitments. As a result, it is possible for one or a small group of Limited Partners to heavily influence or control any vote of the Limited Partners or the Advisory Committee. Furthermore, the Executive Committees are comprised of as few as 3 members and such committees will be called upon to approve certain material matters regarding the Funds as provided for in the Partnership Agreement. The identity of the members of the Advisory Committees and the Executive Committees are available upon request.

Use of Leverage

CIP will cause the Funds to use leverage from time to time, in the form of debt financing to acquire and refinance investments. Debt service requirements may deplete or restrict a Fund's cash flows. Further, relatively small changes in the overall value of Fund investments may have a magnified impact on the equity value of the Fund. If a particular Fund investment was unable to generate sufficient cash flow to meet principal and interest payments on the indebtedness incurred by the Fund relative to that investment, the value of the Fund's investment in such portfolio investment would be significantly reduced or even eliminated. In addition, the amount of debt financing may restrict the amount of funds available for distribution to Fund investors. Debt financing may be unsecured and subordinated to substantial amounts of senior indebtedness and Fund investments may not be protected by financial covenants.

The Funds may participate in a limited number of investments and as a consequence, the aggregate return of the Funds may be materially and adversely affected by the unfavorable performance of a single investment.

Item 9 Disciplinary Information

Except as described below, CIP does not have any legal or disciplinary events to report under this Item.

CIP is currently in the process of resolving a matter regarding Form PF filing requirements that the SEC staff brought to the attention of CIP on January 26, 2018. Since the issue was brought to CIP's attention, it has promptly undertaken efforts to come into compliance with the relevant requirements, including filing Form PF for prior fiscal years and adopting new policies and procedures. After final resolution of this matter, CIP's Form ADV will be amended as appropriate.

On November 5, 2015, CIP and Cherokee Advisers, LLC ("CA") consented to the entry of an SEC administrative cease and desist order to resolve the previously disclosed investigation which was focused on expense allocation. CIP and CA consented to the SEC order without admitting or denying any wrongdoing. The expenses at issue were certain consulting, legal, and compliance-related expenses incurred based on CIP and CA's standing as registered and/or relying investment advisers. Between July 2011 and March 2015, \$455,698 of these expenses were allocated to Cherokee Investment Partners II, L.P., Cherokee Investment Partners III, L.P., Cherokee Investment Partners III Parallel Fund, L.P., and Cherokee Investment Partners IV, L.P. (collectively, the "Funds"). In March 2015, CIP and CA ceased allocating to the Funds all such expenses and, in April 2015, reimbursed the entire \$455,698 to the Funds. According to the SEC order, the allocation of the foregoing expenses to the Funds was improper. The

order found that despite disclosure in the Funds' limited partnership agreements that the Funds would be charged for expenses that in the good faith judgment of the general partner arose out of the operation and activities of the Funds, including the legal and consulting expenses of the Funds, there was no disclosure that the Funds would be charged for CIP and CA's legal and compliance expenses. The order also found CIP and CA did not adopt written policies or procedures reasonably designed to govern expense allocation, and that they did not conduct an adequate annual review of their policies and procedures. The SEC order requires CIP and CA to: (1) cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder and (2) pay a \$100,000 monetary penalty within ten (10) business days of the order.

In connection with litigation filed against specific real estate holdings by the Funds, certain individuals or CIP may from time to time be named as co-defendants. CIP undertakes to defend any such claims, and to provide a defense for any of its employees or managers who may be named in the proceedings, in the ordinary course of its business.

Item 10 Other Financial Industry Activities and Affiliations

Pooled Investment Vehicles

See the section titled "Advisory Business" above for a description of CIP's role in providing advisory services to the Funds.

Relying Adviser

As reported on CIP's ADV Part 1A, Cherokee Advisers, LLC ("CA") is a "relying adviser" of CIP. CA is deemed to be an adviser but relies on CIP's registration because CIP and CA are operationally integrated and collectively conduct a single advisory business. CA has no employees, but its principals and officers are subject to CIP's supervision and control and are also subject to CIP's code of ethics, compliance policies, and procedures.

Cherokee Investment Services ("CIS")

As described in Item 5 (Fees and Compensation), the Funds utilize CIS to provide the Funds and their investments with certain services. CIS was established in December 2005 for the purpose of providing certain services to the Funds and the investments owned by the Funds. As disclosed in prior brochures, CIS was previously owned by Thomas Darden and John Mazzarino. In 2017, Mr. Darden and Mr. Mazzarino conveyed ownership of the company to CIS employees. CIS currently operates as an independent third party service provider to the Funds and CIP. Given that CIP also utilizes CIS's services, CIP and its employees are faced with a conflict of interest related to the on-going evaluation of the services provided by CIS which may result in CIP and its employees recommending the Funds' on-going use of CIS when it may not be appropriate to do so. Further, due to the former affiliation, CIP may have an incentive to cause the Funds to engage CIS instead of third parties performing the same or similar services. To assist in mitigating this conflict of interest, each Fund's Advisory Board has the ability to review expenses allocated to the respective Fund, including CIS specific expenses. Additionally, while CIS services were allowed to be priced at market even when CIS was still affiliated with CIP, CIS always charged actual cost, with no profit mark-up, which CIP perceived to be substantially lower than market.

Outside Activities

The Managing Principals serve from time to time as directors on the boards of various businesses and non-profit organizations and, in some cases, are compensated for such services. Such compensated

directorships include service by one of the Managing Principals on the board of an affiliate of an investor in the Funds. No investment advisory services are rendered by a Managing Principal in his capacity as a director for third party businesses or organizations. All such outside business activities are subject to oversight and approval by the Adviser's Chief Compliance Officer in accordance with the Adviser's Code of Ethics.

Philanthropic Venture

Cherokee Gives Back ("CGB") serves as a philanthropic affiliate of CIP. CGB is involved with a wide variety of not-for-profit projects including health care, blighted real estate, job creation, poverty relief, education, orphan care and adoption. CGB, through Cherokee Property Foundation, seeks to accept donations of real estate properties that would be marketable except for the presence of real or perceived contamination. If a property is accepted, CGB would assist in the restoration of the property, repurposing it for use, to benefit the donor's community. As the property donations are directed to CGB by the donor, and due to investment restrictions imposed by each Fund's offering documents, the Funds may not invest in or purchase assets held by CGB. Additionally, any property accepted by CGB must be outside the investment objectives established by each Fund to avoid actual or perceived conflicts of interest.

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

Code of Ethics

CIP has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisors Act. This Rule requires CIP to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of our employees. Our Code of Ethics contains policies and procedures that require the following: (i) pre-clearance before purchasing any securities in initial public offerings or private placements; (ii) periodic reporting of employees' personal securities transactions and holdings; and (iii) prompt internal reporting of any violations of the Code of Ethics.

CIP will provide a copy of our Code of Ethics to investors or prospective investors, upon request. Please contact Bret Batchelder by telephone at 919-743-2500 should you have any questions concerning our Code of Ethics or wish to obtain a copy.

Item 12 Brokerage Practices

Best Execution

CIP focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and brokerage-related commissions are not ordinarily payable in connection with such investments. However, when selecting a real estate broker, CIP will consider numerous factors and criteria with the overall objective of selecting a broker who will efficiently and effectively market the asset for sale and maximize returns for the Funds. Examples of the criteria used include the following: the broker was helpful or instrumental during the acquisition and/or consulting process during the asset management phase; the broker represented the seller during the purchase of the asset and is already familiar with the property and/or the structure of ownership; access to decision makers for a likely capital source; ability to run the bidding process to maximize the return on investment to the Fund; knowledge and experience with the local market, type of asset and/or structure; complexity and size of the transaction; past performance in representing CIP or others on similar deals; venture

partner input or predisposition to use a particular broker; overall allocation of business to a variety of qualified brokers that can meet CIP's needs; and the fee structure for the engagement.

Item 13 Review of Accounts

Review of Fund Portfolios

The only accounts managed by CIP are the Funds. The investment positions and assets within the Funds' portfolios are monitored by CIP personnel, and the Managing Principals in particular. Further, CIP's Investment Committee meets periodically, but at least monthly, to review all prospective investments, existing holdings, potential dispositions, material events regarding existing investments and to assess real estate market activities.

During the second half of each fiscal year, the professionals involved with asset management prepare individual business plans on each of the Fund's investments for the upcoming year and the Investment Committee reviews and approves each plan separately. Further, when significant changes are warranted or expected, the Investment Committee will convene on an ad hoc basis to review and discuss the appropriate changes to the business plans.

Reporting

CIP provides investors with written quarterly reports, generally within 30 - 45 days after the end of each quarter, that contain the following information: (i) Executive Summary; (ii) a schedule and summary description of each Fund asset; (iii) a description of the performance of each asset; and (iv) unaudited financial statements including a balance sheet, a statement of income or loss, statement of partners' capital and a statement of cash flows.

Within 120 days of the end of the fiscal year, investors in the Funds will also receive copies of annual audited financial statements that include the following information: (i) auditors opinion; (ii) balance sheet; (iii) statement of income or loss; (iv) statement of partners' capital; (v) statement of cash flows; and (vi) notes to the financial statements.

CIP also distributes special reports to investors, upon specific request. The special reporting varies by the format in which an investor would prefer to receive information (e.g., using a specific template or questionnaire).

Item 14 Client Referrals and Other Compensation

CIP may periodically engage third party placement agents (i.e., solicitors) to introduce prospective investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Funds, but will be reimbursed by CIP by offsetting its Management Fees.

The Funds may act in conjunction with developers or outside investors for competitive or strategic reasons or for other reasons that CIP determines will benefit the Funds, including forming joint ventures or other arrangements. Such third parties may venture with the Funds and/or CIP and may receive compensation in connection with arranging and managing such ventures. Any incentive compensation received by or otherwise payable to CIP or its affiliates in connection with joint ventures between the Funds and such third parties will be distributed to the Funds.

Item 15 Custody

The Funds' General Partners are affiliates of CIP and therefore CIP is considered to have custody of the Funds' assets. The Funds are audited annually and the audited financial statements, which are prepared in accordance with generally accepted accounting principles, are distributed to the Funds' investors within 120 days of the Funds' fiscal year end. Fund investors should carefully review the Funds' audited financial statements.

Item 16 Investment Discretion

CIP has investment discretion over the Funds' assets, in accordance with each Fund's respective offering documents. The Funds' General Partners are affiliates of CIP. Each Fund's offering documents generally set forth certain limitations with respect to the management of the Fund and the activities of CIP, among others. Fund investors may enter into side letter agreements with CIP, as described under Item 5 above. These agreements may have, among other things, the effect of limiting certain of CIP's activities.

Item 17 Voting Client Securities

CIP's Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies. In the event that a Fund acquires equity positions or other positions that may solicit proxies, CIP will develop and implement policies and procedures to vote such proxies consistent with its fiduciary duty.

CIP maintains a record of any proxy votes executed on behalf of the Funds. Funds and their investors may contact Bret Batchelder by telephone, at 919-743-2500 to obtain a copy of CIP's proxy voting policy or to obtain information with respect to any specific proxy votes submitted on behalf of the relevant Fund.

Item 18 Financial Information

CIP is not aware of any financial condition that it believes will affect its ability to meet contractual commitments to the Funds.