

# Bloomfield Capital Holdings, LLC

280 N. Old Woodward Ave., Suite 104  
Birmingham, MI 48009  
Tel: (248) 745-1700  
[www.bloomfieldcapital.com](http://www.bloomfieldcapital.com)

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This brochure provides information about the qualifications and business practices of Bloomfield Capital Holdings, LLC. If you have any questions about the contents of this brochure, please contact us at (248) 745-1700. 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.

Registration as an investment adviser with the SEC does not imply that Bloomfield Capital Holdings, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Bloomfield Capital Holdings, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

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There have been no material changes to this brochure since Bloomfield Capital Holdings, LLC's previous amendment on March 29, 2019.

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#### Item 4. Advisory Business

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Bloomfield Capital Holdings, LLC (along with its affiliates, “Bloomfield” or the “Firm”), a Michigan limited liability company, is an investment adviser located in Birmingham, Michigan. The predecessor entity to the Firm was formed in 2007 and the Bloomfield Capital Holdings, LLC entity was formed in 2011. Bloomfield serves as an investment adviser to pooled investment vehicles including the Bloomfield Institutional Opportunity Fund, LLC, Bloomfield Capital Income Fund II, LLC, Bloomfield Capital Income Fund III, LLC, Bloomfield Capital Income Fund V, LLC, and Bloomfield Capital Fund IV, LP (each a “Fund”, and collectively, the “Funds”). The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to either Section 3(c)(1), 3(c)(7) or 3(c)(5) of the Investment Company Act. The pooled investment vehicles that claim the 3(c)(1) and 3(c)(7) exemptions are deemed to be “private funds” and as such, these private funds may not make, or propose to make, a public offering of their securities and must limit their offering to a certain number and type of sophisticated investor.

Pursuant to the position expressed in the American Bar Association SEC No-Action Letter (January 18, 2012) (“ABA No-Action Letter”), this brochure describes the advisory services provided by Bloomfield as filing adviser, and each of the pooled investment vehicle’s general partner special purpose vehicles formed to act as a pooled investment vehicle’s general partner:

- JIOF Investments, LLC
- Bloomfield Capital Partners II, LLC
- Bloomfield Capital Partners III, LLC
- Bloomfield Capital Partners V, LLC
- Bloomfield Pomeroy, LLC

Bloomfield has approximately 19 employees. Bloomfield is principally owned and controlled by Nicholas Coburn, Jason Jarjosa, Renee Lewis, and Brent Truscott.

Bloomfield provides discretionary investment advisory services to the Funds. The Funds invest primarily in real estate equity and real estate debt assets, generally consisting of multifamily, retail, office, mixed-use, senior housing, self-storage, hospitality, manufactured housing, and industrial/flex asset types. Generally, the Funds will seek to capitalize on situational real estate debt and equity opportunities as described in more detail in Item 8.

Investment advice is provided directly to each Fund itself and not to the individual investors in the Funds. Bloomfield tailors its advisory services to the individual needs of each particular Fund but not to the individual needs of underlying investors. Bloomfield manages the Funds in accordance with the investment objectives and limitations set forth in each Fund’s offering memoranda, governing documents, subscription agreements, side letters, and any investment management agreement between Bloomfield and each Fund (together, “Operative Documents”). Bloomfield utilizes similar strategies for all of its Funds; however, some Funds may differ in their particular investing approaches, investment types and/or investment limitations, as specified in each Fund’s Operative Documents.

Bloomfield has, and may in the future, enter into agreements, commonly known as “side letters,” with certain investors under which Bloomfield 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).

Bloomfield does not participate in wrap fee programs.

As of December 31, 2019, Bloomfield managed approximately \$265,975,093 of regulatory assets under management all on a discretionary basis.

## **Item 5. Fees and Compensation**

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Bloomfield's fee and compensation arrangements vary depending on the particular Fund. The specific terms of such arrangements are set forth in each Fund's Operative Documents.

Generally, the Funds pay Bloomfield a management fee, calculated and charged, based on a percentage of either committed or called capital of the admitted investors. Generally, Bloomfield deducts fees from the Funds. Typically, the management fee will be equal to 1.5 - 2.0% per annum of either committed or called capital. The management fee shall be payable in advance upon the consummation of each Fund closing, and generally on a quarterly basis in advance thereafter, in each case out of the investor's capital accounts. Investors who are admitted as of a date other than the initial closing date will pay a pro-rated management fee for the time period between the date of admission through the date that the next management fee is payable.

Generally, each Fund is responsible for the organizational and offering expenses incurred in the formation of such Fund. Upon the organization and funding of the Fund, the Fund's manager will pay certain expenses of the Fund with respect to its ordinary operations, including salaries, rent, general travel and certain expenses incurred in managing, originating and monitoring Fund investments. The Fund will pay all other costs and expenses of the Fund, including legal, auditing, consulting, financing, accounting, custodian fees and expenses. Further, the Fund will pay expenses associated with the Fund's financial statements, tax preparation costs, out-of-pocket expenses incurred in connection with transactions not consummated, in addition to other expenses associated with the acquisition, holding and disposition of its investment portfolio, including extraordinary expenses, along with any taxes, fees, and/or other government charges levied against the Fund. For certain Funds, servicing fees may be accrued and not paid unless the Fund(s) exceed(s) certain predetermined thresholds.

Any expenses common to one or more of the Funds or investments by the Funds or to any other accounts managed by Bloomfield generally are allocated among such entities or investments on a basis reasonably believed to be equitable and fair by Bloomfield in accordance with Bloomfield's policies.

Generally, members of the Funds will have no right to withdraw from the Fund or to obtain the return of all or any portion of sums paid for the purchase of interests until an opt-out or wind-down occurs.

Please refer to the Funds' Operative Documents for further information regarding the fees and expenses of Bloomfield and the Funds.

Neither Bloomfield nor any of its supervised persons accepts direct compensation for the sale of securities or other investment products.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

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When certain performance hurdles are met, the general partner (for purposes of this document, general partner refers to either the general partner, managing member or manager of any particular Fund) of such Fund may be entitled to receive a distribution of the investment proceeds as performance-based incentive compensation (any such compensation is referred to in this brochure as the “Carried Interest”). The payment of the Carried Interest to the general partner may be subject to certain conditions being satisfied such as the payment to Fund investors of a predetermined rate of return on their invested capital, and the payment to the general partner or manager of a “catch-up” distribution as described in the operating agreements and offering documents for each Fund. Certain Funds have established a distribution waterfall describing the distribution priority which subjects certain general partner distributions to a clawback. For more information regarding the specific terms of the Carried Interest, please consult each of the Operative Documents for the Funds.

The Carried Interest is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act. Accordingly, Bloomfield seeks to ensure that investors in a Fund that is directly or indirectly assessed a Carried Interest satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

## **Item 7. Types of Clients**

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Bloomfield provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act. The Funds are marketed exclusively to investors that may include, without limitation, high-net worth individuals, pension plans, trusts, financial institutions, endowments and other U.S. and non-U.S. entities. Each investor is required to meet certain suitability requirements. Interests in Funds are sold only to investors who meet qualification requirements under applicable securities laws.

An investment in one or more Funds should be based on a prospective investor's careful analysis of its overall portfolio and its own objectives and needs in the areas of diversification, liquidity, return on investment and risk management.



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

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As more fully described in each Fund's offering documents, the Funds' investment strategy is to make consistent and disciplined investments in, and conduct the asset management of, a broad range of primarily real estate-related, opportunistic debt and equity investments throughout the United States. In evaluating potential opportunities for the Funds, Bloomfield conducts extensive due diligence, employs a value-oriented approach, assesses each investment on a risk-adjusted basis, implements its proactive, integrated asset management approach, and places significant emphasis on downside analysis. Bloomfield focuses this strategic approach on middle market transactions while employing a flexible investment approach.

Bloomfield approaches its investment process by evaluating investment opportunities through a rigorous underwriting, due diligence process, and proactive asset management throughout each Fund's investment period. The investment process incorporates a high degree of coordination, institutional controls, checks and balances, and risk management. Prior to making an investment, and dependent on the Fund, the general partner conducts a detailed due diligence process that consists of reviewing some or all of the following elements, as and when applicable: historical and pro forma financial statements and rent rolls, business plans, market information, property and collateral condition, legal documentation, zoning compliance, entitlements, environmental condition, and title and hazard insurance.

There are significant risks inherent in the strategy of investing in real estate not associated with other investments, and investment in the Funds is only suitable for qualified investors who have limited need for liquidity. There can be no assurance that a Fund's investment strategy will be successful. Set forth below, as well as in other Items in this brochure, is a summary of some of the investment risks disclosed in greater detail in each of the Funds' offering documents. Please refer to each of the Fund's Operative Documents for more information on these and other risks relating to Bloomfield's business and investments in the Funds.

### ***Risks Related to the Business***

***No Assurance of Successful Implementation.*** The investment strategy of the Funds is novel and complex and may involve acquiring and investing in assets at levels below current or projected intrinsic value and extending credit at rates in excess of the rates customarily made by commercial banks engaged in making mortgage loans. As a result, the risk of capital loss and devaluation based upon the likelihood of asset value recovery or the repayment of portfolio loans exceeds the level typically assumed by commercial banks and traditional real estate lending sources. The success of such investment strategy is significantly dependent upon the ability of the general partner to assess and manage risks, manage and develop real estate, and invest and asset manage real estate equity investments. There can be no assurance that the general partner will be able to successfully assess and manage credit risks and general real estate management and development risks. The failure to do so may result in a material adverse effect on the financial and operating conditions of the Funds, and the ability of the investors to obtain the level of returns projected by the Funds or a return of their capital.

***Geographic Concentration.*** The real estate debt and equity investments of a Fund may be concentrated in certain geographic markets, and therefore dependent upon the continued demand for commercial real estate in those certain geographic markets. The revenue and the value of the portfolio of a Fund may be affected by a number of factors in these geographic markets, including the local economic climate (which may be adversely impacted by business layoffs or downsizing, industry slowdowns, changing

demographics and other factors) and local real estate conditions (such as oversupply of, or reduced demand for, office and other competing commercial properties).

***Illiquid Investments.*** The illiquidity of the properties or portfolios of the Fund could significantly impede the ability of the Fund to respond to adverse changes in the performance of properties, which could adversely impact the investment return of the Fund. Because mortgage loans and real estate equity investments are relatively illiquid, the ability of a Fund to promptly sell its interests in a property or to find conventional financing to refinance a mortgage loan in response to changing economic, financial and investment conditions will be limited. The real estate market is affected by many factors, such as general economic conditions, supply and demand, availability of financing, interest rates and other factors that are beyond the control of the Fund. The general partner cannot predict whether it will be able to sell any of the interests of the Fund in its investments for the price or on the terms set by the Fund. The general partner also cannot predict the length of time needed to find a willing purchaser or other lender to provide the requisite financing to refinance a mortgage loan. These factors and any others that would impede the ability of the Fund to respond to adverse changes in the performance of the portfolios of the Fund could significantly and adversely affect the investment return of the Fund.

### ***Risks Related to Real Estate***

***General Real Estate Risks.*** Investments constituting real estate debt and equity or indirect interests in real estate will be subject to the risks incident to the ownership and operation of real estate. In addition, the value of investments made by the Funds that are secured by real estate assets may be detrimentally affected if the real-estate collateral declines in value. The direct and indirect investments by a Fund in real property will be subject to the following risks that may affect the value of such real property: risks associated with the general economic climate, local real-estate conditions, community conditions, population trends, local employment conditions, changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building), energy and supply shortages, various uninsured or uninsurable risks, terrorism, war, natural disasters, the ability of the Fund and third parties to manage the real properties, changes in applicable laws and government regulations (including tax laws), potential environmental and other legal liabilities, general availability of financing and changes in interest rate levels, and fluctuation in value of property or equity taken as collateral for any loans made. Certain of these risks cannot be predicted with certainty or controlled by the general partner. If a Fund invests in real property or forecloses on loans or bonds secured by real property, the Fund will incur the burdens of ownership of real property, which include the payment of expenses and taxes to maintain such property and any improvements thereon, and ultimately disposing of such property.

***Development/Financing Risks.*** The Fund may directly acquire (or obtain through foreclosure) fee simple, leasehold and/or equity interests in real estate under current or proposed development. Such investments will be subject to the risks normally associated with such activities. Such risks include, without limitation, potential protracted negotiations and lengthy diligence without ultimately acquiring any or all of the desired interest, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Fund, such as weather or labor conditions or material shortages), the availability of financing on favorable terms, and changes in supply and demand. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Fund and on the amount of Funds available for distribution to the limited

partners (limited partners refers to either limited partners or members depending on the individual Fund structure).

***Geographic Concentration/Natural Disasters.*** Any deterioration in the real estate market or economy or events in those states or regions where real estate assets are located, including earthquakes, floods, hurricanes and other natural disasters, may affect the value of the real-estate related investments of a Fund. In addition, some investments covering real property may be located in states that may be more susceptible to earthquakes, or those more susceptible to hurricanes. In many cases, the real estate investments of a Fund and the properties securing those investments may not be insured for earthquake or hurricane risk, or may be insured for amounts less than the balances of the related loans or the amount of invested capital in the particular real estate asset. In addition, even if the real estate assets held by the Fund are insured, such insurance may not be enough to rebuild properties damaged in the midst of construction. Also, if an earthquake, hurricane or other natural disaster significantly interrupts construction, projects will take longer to complete and the Fund will incur greater carrying costs.

### ***Risks Related to Fixed-Income Investments***

***Risks of Fixed-Income Investments Generally.*** The value of the fixed-income investments made by the Fund will generally change as interest rates fluctuate. Generally, when interest rates decline, the value of a long fixed-income portfolio of a Fund can be expected to rise while that of its short fixed-income portfolio, if any, can be expected to decline. Conversely, when interest rates rise, the value of a long fixed-income portfolio can be expected to decline while that of a short fixed-income portfolio, if any, can be expected to rise.

***Risk of Loans Generally.*** There are various risks associated with investing in loans. To the extent such loans are secured by real estate, such investments are subject to the risks of real estate investments in general and to certain other risks unique to the loan market. To the extent that any one Fund does not own the whole loan, that Fund may not be able to take certain actions, including foreclosure actions, unless it receives the consent of a certain percentage of the other investors. In addition, the Funds may invest in loans which are not protected by financial covenants or limitations on additional indebtedness, and such investments would present a greater risk. Certain loans that the Funds may acquire or make may have early repayment features and, to the extent that they are repaid prior to maturity, the Funds could be deprived of the benefits thereof. In addition, the market value of such loans is a function of current interest rates, the various attributes of each loan, and the then-current market demand for such loans, which may vary significantly over time. The value of the investment by a Fund in loans may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting upon the occurrence of a default. In addition, certain of the investments of the Fund in loans may be supported, in whole or in part, by guarantees. The amount realizable with respect to a loan may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, loans may also be supported by collateral, the value of which may fluctuate. In addition, active lending by the Fund may subject them to additional regulation, as well as possible adverse tax consequences to the Fund and/or their limited partners. Finally, there may be a monetary, as well as a time cost involved in collecting on defaulted loans and bonds and, if applicable, taking possession of the collateral.

***Non-performing Loans.*** Loans in which the Funds invest may already be or may become non-performing loans that require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the

principal of such loan. A risk exists that, upon maturity of such loan, replacement financing will not be available or that the borrower will not otherwise be able to repay the loan. It may be necessary or desirable to foreclose on collateral securing one or more of such loans. 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 mortgage loan, including lender liability claims and defenses in an effort to prolong the foreclosure action. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy or its equivalent, potentially further delaying the foreclosure process and increasing the overall associated costs.

### ***General Risks of Investing in the Fund***

***Key Personnel.*** Each of the Funds generally is dependent on the services of a small number of key persons. The loss of a key person's services could have a substantial adverse impact on performance.

***Substantial Risk of Loss.*** The nature of the portfolios and investment criteria of the Fund involves certain risks of loss. An investment in a Fund therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment.

***No Guarantee of Performance.*** Any investment in a Fund is highly speculative and should be undertaken only by persons who are financially able to bear the loss of their entire investment and who have no need for liquidity with respect to an investment. Prospective investors should consider carefully the risk factors and all other matters set forth in the Operative Documents in evaluating the Funds and their business before making a decision to purchase interests and should consult with their own legal, tax and financial advisers with respect to these matters.

***Targeted Returns.*** Return targets are performance goals; they are not guarantees of performance. There can be no assurance that the return target will be met or met over any particular time horizon. Target returns should not be relied upon for any one year but should be evaluated over the time horizon indicated and not over shorter periods of time.

***No Market for Interests.*** There is no public market for sale of the interests in a Fund, and transferability of an interest is significantly restricted by the terms of the Operative Documents as well as federal and state securities laws.

***Illiquid Investment.*** An investment in a Fund will be illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of the investments.

***No Withdrawal Right.*** Generally, limited partners will have no right to withdraw. Resolution and wind-down mechanisms, along with certain opt-out rights may be provided on a fund-specific basis.

***Tax Liability.*** The general partner has significant discretion in determining the availability of cash for distribution. There is no assurance that a Fund will generate sufficient cash for distribution to limited partners or that the general partner will make significant distributions to limited partners even in the event that cash is available for distribution.

***Operational Risk.*** The success of the Funds depends on the ability of the Firm to operate effectively and

efficiently. There is the risk of loss resulting from inadequate or failed procedures, systems or policies of the Firm, and may include, among others, employee errors, systems failures, criminal activity, cyber-breaches or other external events that significantly disrupt business operations.

**Item 9. Disciplinary Information**

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There have been no legal or disciplinary events to disclose that are material to an investor's or prospective investor's evaluation of Bloomfield's advisory business or integrity of management.

## Item 10. Other Financial Industry Activities and Affiliations

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**Material relationships.** Certain employees of Bloomfield may hold ownership interests and/or a carried interest in the general partners. Bloomfield and its related persons may also form other partnerships or entities and offer investment opportunities in such partnerships and entities in accordance with Operative Documents.

Affiliates of Bloomfield may provide borrower due diligence services, debt servicing, deal-level asset management services and other similar services in connection with the underlying investments made by a Fund and receive fees, paid for by the Funds, in connection therewith. Such fees will not be offset against the investment management fee described in Item 5, except in limited circumstances as provided for in each Fund's governing documents.

**GP SPVs.** Affiliates of Bloomfield serve as the general partner to various Funds. Affiliates of Bloomfield (including the general partners) may also invest directly or indirectly in Funds. This brochure describes the activities of each of the general partners (as listed below).

- JIOF Investments, LLC
- Bloomfield Capital Partners II, LLC
- Bloomfield Capital Partners III, LLC
- Bloomfield Capital Partners V, LLC
- Bloomfield Pomeroy, LLC

In addition, employees of Bloomfield (or its affiliates) also invest directly in the Funds or indirectly through an affiliate or co-investment vehicle.

## **Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

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Pursuant to Rule 204A-1 of the Advisers Act, Bloomfield adopted a Code of Ethics (referred to in this brochure as the “Code”) to ensure that Bloomfield fulfills its role as a fiduciary to the Funds. The interests of the Funds must always be recognized, respected, and have precedence over Bloomfield employees. The Code requires that Bloomfield employees and certain associated persons act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. Bloomfield employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by Bloomfield or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Bloomfield’s personnel. The Code requires that personnel pre-clear certain public and private personal securities transactions, report personal securities transactions on at least a quarterly basis and submit reports to Bloomfield regarding personal accounts and reportable securities holdings at least annually. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, policies and procedures related to restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Employees are required to provide a written certification to Bloomfield regarding such employee’s adherence with the Code. Copies of this Code may be requested by contacting Bloomfield’s Chief Compliance Officer at (248) 745-1700.

Neither Bloomfield nor any of its related persons recommend that any Fund acquire or sell securities in which Bloomfield or any related person has a material financial interest.

As a matter of general practice, neither Bloomfield nor any of its related persons acquire or sell securities that are also recommended to the Funds.

***Allocation of Investment Opportunities and Other Accounts.*** Investment opportunities may arise that are appropriate for an investment by more than one Fund or for which one or more Funds should have priority based on the governing documents of the Funds. The Operative Documents for the Funds and Bloomfield’s policies generally set forth the allocation guidelines to apply if and to the extent an opportunity is appropriate for more than one Fund at a particular point in time. Such documents generally provide Bloomfield with the discretion to allocate among Funds on a fair and equitable basis.

***Directors and Officers.*** Certain employees of Bloomfield may serve as directors or officers of entities through which investments by the Funds are held.

***Co-Investment Opportunities.*** Bloomfield may, but is not required to, offer (or permit the offering of) investment opportunities, including co-investment opportunities, in certain Fund investments to existing investors or third parties. If a co-investment vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the other Funds. To the extent Bloomfield or the general partners receive any compensation or fees as a result of such co-investment arrangement (such as a point spread, servicing fee, asset management fee, arranger’s fee, a management fee or any performance-based compensation), such fees are neither payable to the Funds nor credited against future management fees.



***Other Potential Conflicts of Interest.*** Neither Bloomfield nor any of Bloomfield's professionals are required to devote their entire time and attention to the affairs of any one of the Funds but are expected to commit a substantial portion of their time and attention to the Funds.

## Item 12. Brokerage Practices

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Bloomfield has discretion regarding the types of investments to be made by the Funds, subject to each of the Funds' investment strategies and purpose as set forth in the Operative Documents of the Funds respectively. Bloomfield generally does not make recommendations for investments by the Funds in public securities as most investments are in privately negotiated real estate-related transactions. Accordingly, Bloomfield does not frequently select or recommend broker-dealers for client transactions. In the event that a broker-dealer is selected or recommended, Bloomfield employs a due diligence process to ensure that any such transaction is executed in the best interest of the Funds, taking into account certain factors such as a broker's execution capability and trading expertise, in addition to pricing.

- Bloomfield does not have any soft dollar arrangements.
- Bloomfield does not consider whether Bloomfield or a related person of Bloomfield receives Fund or investor referrals from a broker-dealer or third party because Bloomfield does not typically select or recommend broker-dealers.
- Bloomfield does not have directed brokerage dealings.

Generally, aggregation of the purchase or sale of securities for various Fund accounts does not apply to Bloomfield as Bloomfield primarily invests in private real estate-related investments.

### **Item 13. Review of Accounts**

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Bloomfield's asset management teams continually review and monitor the Funds' investments. Bloomfield's investment professionals and asset managers routinely meet to discuss asset management activities as well as potential new investment opportunities. Bloomfield's investment committee convenes as and when necessary to consider and approve new investment opportunities and material investment decisions regarding the Funds' existing investments, including dispositions and refinancings.

More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or the investments within them, including changes in the financial markets and activity and trends in the political or economic environment.

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 on a quarterly basis. Quarterly reports are generally accounted for pursuant to GAAP and based on the unaudited and estimated value of the relevant Fund's holdings. Bloomfield may distribute certain other reports to the Funds' investors upon specific requests from time to time.

#### **Item 14. Client Referrals and Other Compensation**

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Bloomfield does receive economic benefits as a result of investment advice or investment advisory services provided by Bloomfield to the Funds for diligence/boarding, and other monitoring services conducted with respect to the underlying portfolio assets.

Neither Bloomfield nor any of its related persons compensates any person who is not a supervised person for Fund investor referrals. While Bloomfield does not utilize placement agents, it may compensate one or more placement agents for referrals of Fund investors in the future. In such case, the management fee payable by a Fund may be reduced by the amount of the fee paid to placement agent, the placement agent may be paid by the investor, or the placement agent may share in the profits of the general partner.

## **Item 15. Custody**

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While the Firm or certain affiliates may be deemed to have custody of certain client funds and securities, the Firm itself does not maintain physical custody of such assets. As set forth in Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule. Additionally, Bloomfield delivers audited financial statements of the applicable clients (such clients over which the Firm or an affiliate is deemed to have custody) to all investors in such clients within 120 days of the client’s fiscal year end. The financial statements are prepared in accordance with generally accepted accounting principles and are audited by an independent accountant that is registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board.

**Item 16. Investment Discretion**

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Bloomfield exclusively manages the business of the Funds and has discretionary investment authority to manage the making of new investments by the Funds and the management of the existing investments held by the Funds. Generally, this authority is provided for in each Fund's Operative Documents. In addition, investors in the Funds must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

**Item 17. Voting Client Securities**

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Bloomfield's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a client will be placed in a position of proxy voting authority. However, if a client does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its clients.

**Item 18. Financial Information**

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Bloomfield does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

Bloomfield is not aware of any financial conditions that would be reasonably likely to impair Bloomfield's ability to meet contractual commitments to the Funds.

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