

Item 1: Cover Page

Lighthouse & Nexus Capital Homes, LLC

Form ADV Part 2A Brochure

March 9, 2022

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This brochure provides information about the qualifications and business practices of Lighthouse & Nexus Capital Homes, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Lighthouse & Nexus Capital Homes, LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Lighthouse & Nexus Capital Homes, LLC is also available on the SEC's website at www.adviserinfo.sec.gov and by searching for CRD# 308176.

Item 2: Material Changes

In this Item, Lighthouse & Nexus Capital Homes, LLC is required to identify and discuss material changes since its last annual amendment. Since filing its last annual amendment on March 12, 2021, there have been no such material changes to report.

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Item 4: Advisory Business

- A. Lighthouse & Nexus Capital Homes, LLC (“Adviser”) is an investment adviser founded in 2018, registered with the U.S. Securities and Exchange Commission (“SEC”), and is principally owned by Brendon Bascom, Joseph Grosodonia, Scott Seppen, and Matthew Marino through their respective holdings companies.
- B. Adviser’s principal business is the management of Nexus Capital Real Estate, Inc. (the “Fund”), a Maryland corporation that has elected to be taxed under the Internal Revenue Code as a real

estate investment trust (“REIT”) for federal income tax purposes. The Fund currently owns a portfolio of single-family homes for lease to families as a long-term owner, and its investment policy permits it to acquire other forms of rental housing. The Fund’s assets will be used to capitalize Nexus Capital Real Estate, LLC, an operating company in which Adviser owns a managing interest (the “Operating Company”), which will in turn use the proceeds to acquire additional property, reduce indebtedness on existing properties, and/or redeem membership units of the Operating Company. The income-producing residential real estate may include but is not limited to single family homes, residential multi-family properties, apartment communities, cooperatives, townhomes, and senior housing. Adviser also has the ability to be opportunistic and invest up to 30% of the Fund’s capital in real estate collateralized mortgages/notes and commercial properties. Through a confidential private placement memorandum (the “Memorandum”), shares of the Fund (the “Shares”) are offered to certain individuals and entities that are accredited investors (as defined under Regulation D of the Securities Act of 1933) and that are interested in becoming shareholders of the Fund (each, a “Shareholder” and collectively the “Shareholders”).

- C. Adviser provides its management services based on the investment objectives of the Fund, and not based on the investment objectives of any Shareholder of the Fund (i.e., Adviser’s sole client is the Fund and not the Shareholders of the Fund). As such, all Shareholders are encouraged to confer with their respective professional advisors to determine the suitability and appropriateness of an investment into the Fund.

This document is not an offer to sell or a solicitation of an offer to buy Shares in the Fund. Such an investment may be made only after receipt and review of the Memorandum. The Memorandum contains important information concerning risk factors and other material aspects of the Fund and it must be read carefully before making an investment decision. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in the Memorandum.

- D. Adviser does not participate in any wrap fee programs.
- E. Adviser manages the following amount of discretionary and non-discretionary Fund assets calculated as of December 31, 2021:
- i. Discretionary: \$29,411,875
 - ii. Non-Discretionary: \$0

Item 5: Fees and Compensation

- A. Adviser is compensated for its management services to the Fund primarily through a “Management Fee,” payable monthly in advance, in amount equal to (i) three-tenths percent (0.3%) per annum of cash and cash equivalents as of the first day of each month, plus (ii) the following percentages of the invested assets (all assets of the Fund other than cash and cash equivalents) as of the first day of each month:

Up to \$50 million	3.0%
\$50 million to \$75 million	2.0%
\$75 million to \$100 million	1.0%
\$100 million and above	0.75%

However, Adviser retains the authority to waive and defer its Management Fee in whole or in part in its sole discretion, as further described in the Memorandum. of its The Management Fee is

calculated on a tiered basis, with the lower fee percentage being applied to each incremental level of invested assets.

Adviser is also compensated through (1) an “Acquisition Fee” equal to 3% of the total price paid for each investment, which includes single or multi-family properties, commercial real estate and loans (will be reduced to the extent that an affiliated broker of the Adviser receives a commission from the property seller/contributor); (2) a “Disposition Fee” equal to 3% of the gross sale price for each disposed asset (including sales of assets in bulk portfolios or through a sale constituting a change of control), whether or not the Fund also engages an outside broker to sell the property, provided that total selling commissions and disposition fee will not exceed 6%; (3) a “Financing Fee” equal to the difference between 1% of the principal amount of the loan and amounts paid to any loan brokers (if Adviser is so engaged by the Fund to secure financing for a property); (4) loan origination expenses; (5) an “Equity Contribution Fee” equal to 3% of new equity contributions to the Fund and the Operating Company; (6) an “Asset Management Termination Fee” equal to 3% of the determined share value at the time of the termination plus any previously deferred asset management fees, if the management agreement with the Fund is not renewed or the Fund terminates the management agreement without cause; (7) a “Property Management Fee” for the provision of property management and leasing services, which is based on the total monthly base rent collected during the month pursuant to the following schedule:

\$100 million or less	4.0%
\$100 million to \$300 million	2.75%
\$300 million or more	2.5%

(8) a “Leasing Fee” equal to 6% of the total base rent received over the initial term of each lease (unless the term exceeds ten years, in which case Adviser shall receive 6% over the first ten years and 2% for the remaining term of the lease) and 3% of any properly executed lease renewal agreements; and (9) other organizational expenses, offering expenses, and operating expenses. For a complete description of fees and expenses, please refer to the Memorandum.

Item 6: Performance-Based Fees & Side-By-Side Management

Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client). Since it does not manage any other assets besides those of the Fund, it does not engage in side-by-side management.

Item 7: Types of Clients

Adviser provides its management services solely to the Fund. The Fund requires a minimum initial investment of \$25,000.

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

- A. The Fund’s principal investment policy is to acquire, own, and operate residential rental housing, including, without limitation, single family homes, residential multifamily properties, apartment communities, cooperatives, townhomes, and senior housing in desirable neighborhoods in select markets within the United States and rent them to responsible individuals and families. Through

annual lease extensions at the tenants' option, the Fund expects to make commitments to tenants for multiple years, during which period rents are expected to increase based on inflationary benchmarks. The Fund's initial focus has been on single family homes in desirable neighborhoods in urban and suburban markets in the Rochester and Buffalo, New York, regions. The Fund may invest in individual properties, in portfolios of properties, or through other investment vehicles such as equity or debt instruments and we may also co-invest with others through joint ventures. Investments in multifamily properties with more than five units per building, properties or portfolios that exceed 30% of the Fund's total assets (determined as of the date the property or portfolio is acquired), partial equity interests, debt instruments or investments that do not otherwise meet the Fund's investment policy or property selection criteria may only be made with the approval of the Fund's board of directors.

The investment policy permits investments by the Operating Company in properties that do not otherwise meet the investment policy or property selection criteria with the approval of the Fund's board of directors.

The Fund may invest in joint ventures or other investment vehicles with third parties, with our Fund managers or their affiliates, or with significant investors in the Fund. There are a variety of reasons that the Fund may elect to invest with another entity: to permit the Fund to acquire an interest in a portfolio which the Fund does not have the capital to acquire independently, to entice another real estate investor with a large portfolio to take membership interests in the Operating Company for a portion of its investment, to invest with another entity whose investment policies or preferences do not permit investment in a private REIT, or to diversify the Fund's holdings and spread risk with another investor.

- B. Like any investment strategy, an investment into a REIT like the Fund involves material risks. A potential Shareholder should carefully consider the following risk factors and all other information contained in the Memorandum before making a decision to invest in the Fund's common stock. The risks and uncertainties described below are not the only ones faced by the Fund. Additional risks and uncertainties not presently known to the Fund or that the Fund presently deems less significant may also adversely affect the Fund. If any of the following risks actually occur, the Fund's business, financial condition, liquidity, results of operations and prospects could be materially adversely affected. In that case, the market price of the Fund's common stock could decline, and a Shareholder may lose some or all of its investment. Such material risks are described in further detail below, but should be supplemented by the discussion of further risks contained in the Memorandum. As used herein, the terms "we," "our," and "us" refer to the Fund.
- i. We have a limited operating history. If we are unable to implement our business strategy as planned, we will be materially and adversely affected.
 - ii. We are an early entrant in an emerging industry, and the long-term viability of our investment strategy on an institutional scale is unproven.
 - iii. We may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our Shareholders.
 - iv. We have not yet identified specific investments to be acquired with all of the net proceeds of this offering and, therefore, a Shareholder will be unable to evaluate the allocation of the net proceeds from this offering or the economic merits of our future investments prior to making a decision to invest in our common stock.
 - v. We may be materially and adversely affected by risks affecting borrowers or the single-family rental properties in which our investments may be concentrated at any given time, as well as from unfavorable changes in the related geographic regions.
 - vi. Short-term leases of residential property expose us more quickly to the effects of declining market rents.
 - vii. We may be unable to secure funds for future tenants or other capital improvements, which could limit our ability to attract or replace tenants.

- viii. Our revenue and expenses are not directly correlated, and, because a large percentage of our costs and expenses are fixed and some variable expenses may not decrease over time, we may not be able to adapt our cost structure to offset any declines in our revenue.
- ix. Fair values of our investments are imprecise and may materially and adversely affect our operating results and credit availability, which, in turn, would materially and adversely affect us.
- x. If we cannot obtain financing, our growth may be limited.
- xi. We intend to leverage our investments, which may materially and adversely affect our return on our investments and may reduce cash available for distribution to our Shareholders.
- xii. Our accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements that are undertaking.
- xiii. Changes in global economic and capital market conditions, including periods of generally deteriorating occupancy and real estate industry fundamentals may materially and adversely affect us.
- xiv. Inflation or deflation may adversely affect our results of operations and cash flows.
- xv. Changes in applicable laws or noncompliance with applicable law could materially and adversely affect us.
- xvi. Competition could limit our ability to lease single-family rental properties or increase or maintain rents.
- xvii. If rents in our markets do not increase sufficiently to keep pace with rising costs of operations, our operating results and cash available for distribution will decline.
- xviii. If the current trend favoring renting rather than homeownership reverses, the single-family rental market could decline.
- xix. We may incur significant costs in restoring our properties, and we may underestimate the costs or amount of time necessary to complete restorations.
- xx. Contingent or unknown liabilities could materially and adversely affect us.
- xxi. The costs and amount of time necessary to secure possession and control of a newly acquired property may exceed our assumptions, which would delay our receipt of revenue from, and return on, the property.
- xxii. Poor tenant selection and defaults by our tenants may materially and adversely affect us.
- xxiii. Eminent domain could lead to material losses on our investments.
- xxiv. Difficulties in selling single-family rental properties could limit our flexibility.
- xxv. A significant uninsured property or liability loss could have a material adverse effect on us.
- xxvi. A significant number of our single-family rental properties may be part of homeowners' associations. We and our renters will be subject to the rules and regulations of such homeowners' associations which may be arbitrary or restrictive and violations of such rules may subject us to additional fees and penalties and litigation which may be costly.
- xxvii. We rely on information supplied by prospective tenants in managing our business.
- xxviii. We likely will incur costs due to litigation, including but not limited to, class actions, tenant rights claims and consumer demands.
- xxix. Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.
- xxx. We may incur substantial costs due to environmental contamination or non-compliance.
- xxxi. Our properties will be subject to property and other taxes that may increase over time.
- xxxii. Our board of directors has approved a very broad investment policy and guidelines for our Manager and will not review or approve each investment decision. We may change our investment policy and guidelines without Shareholder consent, which may materially and adversely affect the market price of our Shares and our ability to make distributions to our Shareholders.
- xxxiii. We depend on Adviser. We may not be able to retain our exclusive engagement of our Adviser under certain circumstances, which could materially and adversely affect us. Termination of our Adviser by us without cause is difficult and costly.

- xxxiv. There is no market for our Shares and none is expected to develop in the foreseeable future.
- xxxv. The availability and timing of cash distributions is uncertain.
- xxxvi. The limited disclosure requirements applicable to us may make our Shares less attractive to investors.
- xxxvii. The incurrence or issuance of debt, which ranks senior to our common stock upon our liquidation, and future issuances of equity or equity-related securities, which would dilute the holdings of our existing common stockholders and may be senior to our Shares for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our Shares.
- xxxviii. An increase in market interest rates may have an adverse effect on the value of our Shares and our ability to make distributions to our Shareholders.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

Item 10: Other Financial Industry Activities & Affiliations

- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser 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. Adviser is registered as a real estate broker in the State of New York. In addition, Adviser's officers, directors and other family members and affiliates have invested in a variety of real estate investments which they will continue to own, operate and manage. This creates a conflict of interest to the extent the interests of the Fund and the Adviser's officers, directors, and other family members and affiliates become adverse or competitive. Adviser addresses this conflict of interest in several ways, the first of which is through disclosure in this brochure. Adviser and its officers and affiliates may continue to make new investments outside of the Fund that do not meet the property selection criteria of the Fund, including buying single family homes in markets that are not within the current property selection criteria. However, Adviser and its affiliates will not invest in any additional single-family homes for rental that meet the current property selection criteria in markets that would compete with existing homes owned by the Fund without the approval of the Fund's board of directors so long as they control the management of the Fund.

In addition, the Fund may invest in properties with another entity, including an entity which is owned by the Adviser or its affiliates or, potentially, significant investors in the Fund. In any co-owned property, the Fund would be sharing any allocations and distributions in accordance with the terms of the joint venture arrangement and may find that the Fund's interests and those of its joint venture partner diverge. The Fund may not control the acquisition, leasing or sale of properties held in a joint venture and may not have completely equivalent rights to allocations and distributions.

Adviser is also owned by entities that are owned by the Fund's four directors. This is a conflict of interest to the extent that the Adviser could generate higher annual asset management fees, regardless of the quality of the properties acquired or the services provided to the Fund, by increasing the Fund's capitalization at a time when the funds cannot be invested in high quality

properties or causing the purchase and sale of properties which might not be in the Fund's best interest in order to generate fees. The Adviser addresses this conflict of interest by fully disclosing it in this brochure, and by making property evaluation and capital infusion decisions that are independent of the potential for it to generate additional fees.

The Adviser also provides all property management and leasing services, to which it subcontracts to Lighthouse Management, LLC ("Lighthouse"), which is controlled by Scott Seppen, the Fund's CEO and one of its directors. Mr. Seppen is also a real estate broker registered in New York. Joseph Grosodonia operates his own family's family office. Brendon Bascom operates his own real estate portfolio independent of Adviser and the Fund. Matthew Marino is the indirect owner of Nexus Capital LLC (a separately-registered investment adviser) and MRM Insurance Agency, LLC (a full-service insurance brokerage). These affiliations and separate business activities present a conflict of interest to the extent they result in additional compensation paid by the Fund (through its Shareholders) to entities or individuals affiliated with Adviser and the Fund, involve investment opportunities that could have been made available to the Fund, or that afford the Adviser's owners and board of directors the opportunity to direct additional compensation or other benefits to themselves, their controlled entities, or their families. Adviser addresses these conflicts of interest by fully disclosing them in this brochure (and the Memorandum), by not placing their own interests ahead of the Fund's, and by endeavoring to separate their duties as members of the Fund's board of directors from their other activities.

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

- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or

its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

Item 12: Brokerage Practices

- A. Adviser does not have any relationships with any broker-dealers, and does not utilize the services of broker-dealers since its sole client is the Fund, which in-turn acquires real property.

Item 13: Review of Accounts

- A. The Fund's board of directors and the Adviser's personnel monitor the Fund's holdings on an ongoing basis, with the primary responsibility being assigned to Matthew Marino. His review is typically no less frequently than monthly. Such reviews are designed to ensure that the Fund is still on track to achieve its investment objectives.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, changes in REIT qualification or tax laws, and changes to the real estate market in a particular geographic region of focus.
- C. The Fund's administrator will send account statements and reports directly to Shareholders no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the Shareholder's election.

Item 14: Client Referrals and Other Compensation

- A. Nobody other than the Fund (through its Shareholders) provides an economic benefit to Adviser for providing investment advice or other advisory services to the Fund. However, Item 10 of this brochure and the Memorandum should be reviewed for a complete description of additional sources of Compensation for Adviser, its personnel, and their respective affiliates.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

Item 15: Custody

Because the indirect owners of Adviser are also directors of the Fund's board, the Adviser is deemed to have custody of the Fund's assets pursuant to applicable SEC rules and guidance thereto. As a result, Shareholders of the Fund are sent account statements at least quarterly by an independent administrator, and an independent public accountant performs an annual audit of the Fund's financial statements. The audited financial statements are distributed to Shareholders thereafter. Cash is maintained at qualified custodians (e.g., banks).

Item 16: Investment Discretion

Adviser accepts discretionary authority to manage the investments of the Fund, which is granted pursuant to the organizational documents of the Fund and/or the management agreement with Adviser. Adviser's discretionary authority is limited by the Fund's investment policy and overseen by the Fund's board of directors.

Item 17: Voting Client Securities

- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

Item 18: Financial Information

- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Fund.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.