

**BISON CAPITAL GROUP, LLC**  
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Part 2A of Form ADV: Firm Brochure

March 31, 2023

This brochure provides information about the qualifications and business practices of Bison Capital Group, LLC ("Bison" or the "Firm"). Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact Michael Boecking by phone at 405-627-7219. 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.

Additional information about Bison is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.



### **Important Note About This Brochure**

This Part 2A of Form ADV: Brochure (the “Brochure”) is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by Bison; or
- a complete discussion of the features, risks or conflicts associated with any account advised by Bison.

As required by the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Bison provides this Brochure to current and prospective investors.

Persons who receive this Brochure (whether or not from Bison Capital Group) should be aware that it is designed solely to provide information about Bison as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or investor relationship such as an advisory contract or a private fund’s governing documents.

**In no event should this Brochure be considered an offer of, or agreement to provide, advisory services directly to any recipient.**



## **ITEM 2. MATERIAL CHANGES**

The date of the last annual updating amendment to this brochure was March 31, 2022. A summary of certain of the material changes made to this firm brochure since the date of the last annual updating amendment is set forth below:

- We updated regulatory assets under management as of December 31, 2022, See Item 4, Advisory Business.
- We made additions, revisions and updates to the investment strategies and risk factor disclosures set forth in Item 8 and specifically added disclosure regarding Financial Institution Risk and Distress Events. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.



### ITEM 3. TABLE OF CONTENTS

ITEM 1. COVER PAGE.....	1
ITEM 2. MATERIAL CHANGES .....	2
ITEM 3. TABLE OF CONTENTS.....	4
ITEM 4. ADVISORY BUSINESS .....	5
ITEM 5. FEES AND COMPENSATION .....	6
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7. TYPES OF CLIENTS .....	8
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
ITEM 9. DISCIPLINARY INFORMATION .....	22
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	23
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	24
ITEM 12. BROKERAGE PRACTICES .....	27
ITEM 13. REVIEW OF ACCOUNTS.....	28
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....	29
ITEM 15. CUSTODY .....	30
ITEM 16. INVESTMENT DISCRETION.....	31
ITEM 17. VOTING CLIENT SECURITIES.....	32
ITEM 18. FINANCIAL INFORMATION .....	33



#### **ITEM 4. ADVISORY BUSINESS**

Bison Capital Group, LLC ("Bison" or the "Firm") is an investment adviser organized as an Oklahoma limited liability company. Bison is based in Edmond, Oklahoma and was formed in January 2016 by its sole owners and managers, Shawn Brewer and Erin Brewer.

Bison provides investment advisory services for pooled investment vehicles, in accordance with the investment objectives, policies, guidelines, limitations and restrictions set forth in applicable fund offering or governing documents. Bison serves or may serve as an investment adviser to investment funds that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act"), and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act") (each, a "Fund" and collectively, the "Funds"). As the investment adviser to the Funds, Bison's services consist of identifying opportunities and acquiring, monitoring and disposing of investments of the Funds. Investment advice is provided directly to the Funds. Advice is not provided individually to the limited partners of the Funds.

Bison Capital Group, LLC ("Bison") manages funds that invest in underlying real estate projects. Such entities are referred to collectively throughout this brochure as "Funds". Bison typically enters into investments and investment management arrangements with capital sources by documenting the expected business in the specific relationship in a written agreement. Each such arrangement is unique, frequently reflecting the type of assets to be acquired, target returns, compensation, expected life of the investments and relationships, degree of exclusivity and dedicated resources to the particular arrangement. Bison has and may invest for more than one entity at the same time.

Bison provides investment advisory services to Funds with respect to real estate and real estate-related investments (either directly or indirectly through one or more limited partnerships, limited liability companies, and/or other special purpose vehicles). Services are provided to the Funds in accordance with the governing and organizational documents of the applicable Funds. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Funds.

Bison provides investment advisory services solely with respect to the Funds, and no investor in any such Funds should look to Bison or its affiliates for advice regarding its own investment decisions, including any decision to invest in a Fund. Bison generally treats the Funds, and not their investors as "clients" for purposes of the Advisers Act and any other applicable laws and regulations, to the extent permitted under such laws.

Certain of the Funds and their managing member may from time to time in the future enter into, side letter agreements or other similar agreements or arrangements (commonly referred to as "side letters") with certain investors in such Funds that have the effect of establishing rights or terms and/or otherwise benefitting such investors in a manner that is more favorable in various material respects than the rights and benefits established in favor of other investors pursuant to the applicable governing documents. Such rights or benefits in any side letter or similar agreement may include differences in fees or carried interest, investment or co-investment rights, enhanced reporting or other provisions. Certain investors that have the benefit of "most favored nation" protection are given the opportunity to elect the rights and terms in any side letter or other similar agreement that are applicable to such investors. As of December 31, 2022, Bison had approximately \$244,728,452. in regulatory assets under management as follows. The Firm does not manage any assets on a non-discretionary basis.



## ITEM 5. FEES AND COMPENSATION

As provided under the governing documents of each applicable Fund, Bison is or may be entitled to receive management fees and other compensation. Although Bison has entered into agreements with the Funds providing for these fees, Bison may negotiate alternative fees on a case-by-case basis with other clients. The facts and circumstances of each Fund will be considered in determining the fees received by Bison as compensation for advisory services, including the client's investment strategy, assets under management, account composition, reporting requirements, and any other factors that Bison deems relevant. While applicable fees and other compensation are described in detail in the applicable Fund governing documents and/or service agreements, a general overview of such fees and compensation is set forth below. The following summary is qualified in its entirety by the applicable governing and offering documents of each applicable Fund.

### MANAGEMENT FEES

Bison is generally entitled to receive as compensation for advisory services to the Funds an asset management fee of 0.75-1.00% annually of contributed equity or committed capital, a flat fee, or a fee based on gross revenue, to cover overhead, in each case calculated and payable quarterly or monthly, either in advance or arrears. The asset management fees for BCG Real Estate Growth Fund 4 LP range from 1.00-1.35% annually. Fees are deducted from Fund assets.

### OTHER COMPENSATION

As disclosed in Fund governing documents and agreements, Bison or its related persons receive additional compensation or other pecuniary benefits due to the nature of its business. Generally, Bison is entitled to a disposition fee upon the sale of the property, ranging from 50 – 100 basis points, subject to a hurdle rate of 1.25x invested capital.

### OTHER EXPENSES

In addition to management compensation, consistent with Fund governing documents, each Fund bears the expenses of its organization and the offering of its interests (including legal and accounting fees, printing costs, travel, and out-of-pocket expenses) and operations. Additionally, each Fund bears all costs and expenses directly related to its investment programs including expenses incurred in the identification, evaluation, acquisition, ownership, sale, hedging or financing of any investment or potential investment, including expenses incurred in evaluating potential investments that are ultimately not pursued (“dead deal costs”). The Funds may pay expenses directly or indirectly and may reimburse Bison for eligible Fund expenses, including commercial, business class, first class or private travel expenses. A specific description of fees and expenses charged to the Funds is contained in the agreements and offering documents for such Funds.



## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As disclosed above in Item 5, Bison or an affiliate receive additional compensation or other pecuniary benefits due to the nature of its business. Generally, Bison is entitled to a disposition fee upon the sale of the property, ranging from 50 – 100 basis points, subject to a hurdle rate of 1.25x invested capital, and for BCG Real Estate Growth Fund 4 LP carried interest of 10-15% after all accrued interest and capital is returned. Bison does not currently manage any accounts that are charged hourly or flat fees, other than those disclosed in Item 5, related to performance.

### **CONFLICTS OF INTEREST**

Bison structures fee arrangements with each Fund based upon the expected business of each Fund. Each such arrangement is unique, frequently reflecting the type of assets to be acquired, target returns, compensation, expected life of the investments and relationships, degree of exclusivity, if any, and dedicated resources to the particular arrangement.

More detailed information can be found in the section titled "Sources and Uses of Proceeds" in each Fund's offering materials.



## **ITEM 7. TYPES OF CLIENTS**

Our current clients are the Funds which are pooled investment vehicles. Investment advice is provided directly to the Funds. Bison does not individually advise any of the investors in the Funds. Interests in the Funds are offered pursuant to applicable exemptions from registration under the 1940 Act and the Securities Act.

The Funds generally have a minimum initial investment amount of \$100,000 and investments are made at the discretion of the general partner of each applicable Fund. The minimum initial investment amount is generally \$50,000 for BCG Real Estate Growth Fund 4 LP. Bison reserves the right to allow exceptions to any minimum investment amount required. Bison does not have a minimum size for a Fund.



## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The items below are types of investment strategies we pursue, although we may pursue all or a portion of these strategies depending upon the circumstances and based on various factors, including macro-economic conditions.

### **INVESTMENT STRATEGIES**

#### *Real Estate Strategy*

Bison seeks to produce appropriate risk-adjusted returns by investing in properties and portfolios that need capital. Bison invests directly with partners that have expertise in their local markets and with specific property types. Bison's financial resources, structuring expertise, management capabilities and industry relationships may enhance the operating and financial performance of the assets held by a Fund. Bison will seek to produce target returns and improve the operational performance and capitalization of investments through active asset management while preserving downside protection. Bison generally implements a fundamental value-based approach to all investments. This approach includes keeping a consistent view and focus on the expected value of real estate assets and cash flows in a stable and balanced market in order to identify opportunities to acquire assets when below this level and liquidate holdings when above. Critical to performance is understanding and analyzing economic, financial, demographic, and social factors impacting real estate supply and demand in local markets. Bison approaches opportunities with a comprehensive view of individual and macro factors which are likely to impact the valuation of the asset relative to other real estate or financial assets.

Bison pursues investment opportunities in instances where it perceives compelling value. Bison may be involved in different aspects of asset management but does not in each instance secure a controlling interest in the entities or projects in which it invests.

Bison's investments seek to ensure an alignment of interests between the Funds and any property-level operating partners or management teams by creating a transaction structure that shares risk on the downside and adequately incentivizes the partners or managers at the property-level on the upside.

Reflecting Bison's comprehensive due diligence process and the investment expertise of its investment professionals, each transaction will be reviewed to analyze risk factors, contingency plans, and potential exit scenarios, as Bison believes that an understanding of the downside associated with each investment is integral to ensuring appropriate investment decisions are made. Bison will seek to ensure it is adequately managing risk from each investment's acquisition through to exit.

### **METHODS OF ANALYSIS**

Bison utilizes fundamental and technical analysis methods in evaluating targeted investments.

Bison oversees the execution of the Funds' investment strategies by: (i) identifying unique investment opportunities with experienced partners, (ii) executing a comprehensive due diligence process, (iii) structuring investments in an efficient and flexible manner, (iv) implementing the appropriate business plans for each asset, (v) applying strong portfolio management, and (vi) maintaining and aggressively exploiting diverse exit options. A description of Bison's investment process is provided below.



#### *Investment Sourcing*

Bison has broad relationships across the real estate finance, development, investment, operations, and management communities. Bison anticipates that these relationships will generate a substantial flow of investment opportunities.

#### *Investment Underwriting*

The underwriting process will involve collecting in-depth information about the investment's characteristics, market, competitors and include a forecast of expected future performance. Bison may rely on outside advisors and/or consultants to opine on legal, engineering, environmental, and political risk factors germane to the underwriting process. The process is frequently characterized by a series of ongoing collaborative discussions and debates among the members of the Bison investment team, with a fundamental philosophy of seeking to challenge or disprove any proposed investment thesis. Bison's investment team has significant experience in most major property markets and employs a highly analytic, disciplined and value-driven approach. The Bison team endeavors to avoid confirmation bias by actively seeking divergent views and non-conforming facts.

#### *Asset Management*

Bison relies on the expertise and capabilities of each operating partner or management team at the property-level. Because the real estate and financial markets are highly volatile, Bison anticipates variances from projections as investments season, and accordingly, asset management programs and exit strategies remain flexible and are adapted to changing market dynamics, the macro-economic environment, capital markets, and local real estate fundamentals.

#### *Exit Options*

Ideally, Bison seeks investments with multiple identifiable exit strategies. Liquidating transactions may include single asset sales or portfolio sales to individual buyers, private investment funds, publicly-held companies or institutional investors. Entity or platform level investments secured by underlying real estate offer an additional exit strategy through a sale of the company as a whole. Consideration received as a result of an exit may include cash, restricted and unrestricted securities of publicly or privately held companies or partnership interests in new ventures.

### CERTAIN RISK FACTORS

***There can be no assurance that the Funds or other clients will achieve their respective investment objectives or that investments in the Funds or other clients will be profitable. The Funds' and other clients' investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that the Funds' and other clients' investment strategies are low risk or risk free. The Funds' and other clients' investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with the Funds' and other clients' investment strategies and processes. All or a subset of the risk factors set forth below apply or may apply with respect to the Funds and their investment(s).***

The investment strategies for each Fund involves a high degree of uncertainty. The possibility of partial or total loss of capital will exist in connection with such strategies, and investors should not invest unless they can readily bear the consequences of such loss. The following risk factors are generally applicable to Bison's Funds. However, additional risk factors, including risk factors that



are specific to a particular Fund's investment strategy, are described in each Fund's private placement memorandum, subscription agreement, or risk disclosure statement.

#### *No Assurance of Investment Returns*

Bison cannot assure clients that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within each client's individual investment objectives.

#### *General Investment Risk*

The Funds' success depends on Bison's ability to implement the investment strategy. Any factor that would make it more difficult to execute timely investments, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies a Fund uses will be successful under all or any market conditions. The Funds may increase their cash position when Bison deems it prudent or when a defensive position is warranted in light of market conditions.

#### *Pandemic, Epidemic or Outbreak of an Infectious Disease in the Area in Which we Operate*

The outbreak of COVID-19 has been declared a national emergency by the United States government and a pandemic by the World Health Organization. The outbreak of the coronavirus has affected the global economy and disrupted markets worldwide. The outbreak of the coronavirus or any other pandemic, epidemic, outbreak of an infectious disease, or other public health crisis, may significantly affect markets where we may purchase, own, and operate property, or directly or indirectly impact potential lessees of property. Any such crisis may materially and adversely impact our business if the value of property falls after we purchase it, if rental rates for a property decline, if actual or potential lessees reduce their demand for office space, or if the cost of owning and operating property rises.

#### *Force Majeure & Catastrophic Risks*

The Firm and the Funds may be subject to operational risk from unforeseeable and uncontrollable catastrophic events, including fires, floods, earthquakes, adverse weather conditions and related power outages, water shortages or other damage caused by such events, changes in law, eminent domain, wars, riots, terrorist attacks, and other similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in loss and litigation, among other potentially detrimental effects. In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the European Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russia conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases and/or instability in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, cyberattacks, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact a Fund's or investment's business, financial condition and results of operations.



### *General Market Risks*

Since 2008, there have been significant and well-publicized dislocations in the financial markets including, but are not limited to, increased delinquencies and defaults in residential and commercial real estate and mortgage backed securities, Greater economic risks to these assets and disruption in the international capital markets significant changes in credit spreads and significantly reduced liquidity for assets similar to the Funds may result in steep reductions in the market value for assets that Funds may buy. It could result in an inability of Funds to divest assets. Such changes may materially and adversely affect the performance of a Fund's portfolio investments. The entire market or particular instruments traded on a market may decline even if earnings or other factors improve, inasmuch as the prices of such instruments are subject to numerous economic, political, psychological and other factors that have little or no correlation to the performance of a particular company.

### *Inflation Risk*

Client accounts are exposed to the risk that the value of the portfolio assets or income will decrease as inflation shrinks the purchasing power of a currency.

### *Regulation & Enforcement; Litigation*

The Funds are subject to regulation by laws at local and national levels and in multiple jurisdictions. Specific and general regulations addressing capital markets and real estate-related investments, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operating the Funds. Additional regulation could also increase the risk of third-party litigation.

### *Litigation Risk*

The Funds may be subject to a variety of litigation risks, particularly in the case of a Fund due to the likelihood that one or more of the underlying investments will face financial or other difficulties during the term of the investment. Under most circumstances, Funds will each indemnify Bison, its principals and representatives for any costs they may incur in connection with such disputes, and under some circumstances investors may have to repay distributions received from a Fund to cover such indemnity obligations. Beyond direct costs, such disputes may adversely affect the Funds in a variety of ways, including by distracting Bison or its principals of such entities and harming relationships between such entities and the underlying investment as well as active or potential investors, other potential sources of capital, and other entities important to the success of the underlying investment.

### *General Risks of Real Estate Investing*

Factors which could affect a Fund's cash flow from the property might include, but are not limited to, any or all of the following; changing environmental regulations, adverse use of adjacent or neighboring real estate, changes in the demand for or supply of competing property, local economic factors which could result in the reduction of the fair market value of the property, uninsured losses, significant unforeseen changes in general or local economic conditions, inability of a Fund to obtain any required permits or entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all, inability of the Funds to obtain the services of appropriate consultants at the proposed cost, changes in legal requirements for any needed permits or entitlements, problems caused by the presence of environmental hazards on the property, changes in Federal or state regulations applicable to real property, failure of a lender to approve a loan on terms and conditions acceptable to the Firm, lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially-reasonable price, shortages or



reductions in available energy, acts of God or other calamities. Furthermore, there could be a loss of liquidity in the capital markets such that refinancing or sale of the property may be hindered.

The Funds' cash flow from the property will be additionally subject to the risks and other factors generally incident to the ownership of real property, including such things as the effects of inflation or deflation, inability to control future operating costs, inability to attract tenants, vandalism, rent strikes, collection difficulties, uncertainty of cash flow, the availability and costs of borrowed funds, the general level of real estate values, competition from other properties, residential patterns and uses, general economic conditions (national, regional, and local), the general suitability of the property to its market areas, governmental rules and fiscal policies, acts of God, and other factors beyond the control of a Fund.

#### *Risks Associated with Underlying Investments*

Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There is no assurance that the Funds' investments will be profitable, and there is a substantial risk that losses and expenses will exceed the Funds' income and gains. Any return on investment to the investors of a Fund will depend upon successful investments a Fund makes. There generally will be little or no publicly-available information regarding the status and prospects of the property in which a Fund has invested. Many of the Funds' investment decisions will be dependent upon the Funds' ability to obtain relevant information from non-public sources, and a Fund often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

The marketability and value of each investment will depend upon many factors beyond a Fund's control. The property may have substantial variations in results from period-to-period, face intense competition, and experience failures or substantial declines in value at any stage. The property may need substantial additional equity or debt capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or may not be available at all. A Fund's capital will be limited and may not be adequate to protect a Fund from dilution in multiple rounds of financing in connection with the property. An otherwise successful investment in a property may yield poor investment returns if a Fund is unable to consummate and execute a timely exit strategy. The receptiveness of potential acquirers of the property will vary over time. Generally, a Fund's investments will be illiquid and difficult to value. In most cases, a Fund's investments will be long-term in nature and may require many years from the date of initial investment before disposition.

#### *Tenant Credit Risk*

The Funds will make investments in properties in which tenant leases will generate a significant portion of the property's and/or the Funds' revenue. As a result, a Fund and its property are subject to the credit risk of the tenants. In particular, local economic conditions and factors affecting the industries in which the property's tenants operate may affect a tenant's ability to make lease payments. In the event that tenants default on their leases and fail to make rental payments when due, there could be a significant decrease in a Fund's revenues and/or in the resale value of the relevant property. This loss of revenues and/or fall in resale value could adversely affect a Fund's profitability and its ability to meet its financial obligations. In addition, the Funds may be unable to locate replacement tenants in a timely manner or on comparable or better terms if tenants default on their leases.



### *Illiquid Investments*

The Funds will invest in real estate for which no (or only a limited) liquid market exists. The market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financing condition of obligors on a Fund's assets. The Funds may be unable to sell assets when it desires to do so or to realize what the Firm perceives to be their fair value in the event of a sale.

### *Significant Leverage*

A Fund's investments may involve leveraged acquisitions on the project level. The project-level borrowings may be on a secured or unsecured basis and at fixed or variable rates of interest. Borrowing gives rise to interest expense and may require the Funds or investment project to pay other fees. The costs of borrowing will reduce a Fund's return. Utilization of leverage is a speculative investment technique and involves risks to investors. While leverage may enhance total returns to investors, if investment results fail to cover borrowing costs, then returns to the investors of the Funds will be lower than if there had been no borrowings. To the extent the Funds utilize leverage in an investment, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such investment. In addition, if there is a shortfall between the cash flow from the property and the cash flow needed to service indebtedness related to the property, then the amount available for distributions by the Funds to its investors will be reduced. Assuming the Funds can incur indebtedness, such debt increases the risk of loss because defaults on indebtedness secured by a property may result in the lender initiating foreclosure actions against a Fund's assets pledged as collateral for the applicable loan(s).

### *Risks Related to Leveraging the property*

The Funds may use debt financing to acquire, refinance existing loans on, and make repairs and improvements to, the properties. A Fund's use of leverage increases the risk of an investment in a Fund, as it is possible that rental income from the property in any given month will be inadequate to pay the monthly debt service required on loans against it. A result of a Fund being unable to make the required financing payments on the property may be that a lender could foreclose and some or all of a Fund's investment could be lost. There is also the risk that at the time of the sale of the property, the sale proceeds may be less than the amount needed to pay off the total remaining balance of the financing and, as a result, some or all of a Fund's investment in the property will be lost. There is a risk that if at the end of the loan, the property cannot be sold or refinanced so that the proceeds generated will allow the loan to be paid off, resulting in a short sale or foreclosure, the investors could suffer a total loss of all capital invested in the Funds. However, if the property is ultimately sold for more than the loan balance, the investors may be entitled to recover the difference.

### *Changes in Environment*

A Fund's investment program is intended to extend over a period of years during which the business, economic, political, regulatory, and technology environments within which the Funds operations may undergo substantial changes, some of which may be adverse to the Funds. The Firm, on a Fund's behalf, will have the exclusive right and authority to determine the manner in which each of such entities responds to such changes, and investors generally will have no right to withdraw from the Funds or to demand specific modifications to a Fund's operations in consequence thereof.



### *Environmental Liabilities*

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous real property owner or operator may be liable for the cost to remove or remediate hazardous or toxic substances on, under or in such property. These costs could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. Environmental laws also may restrict how property may be used or businesses may be operated, and these restrictions may require substantial expenditures and may limit a Fund's ability to sell such assets to prospective purchasers that may be affected by such laws. These restrictions may also affect a Fund's ability to borrow money using such assets as collateral. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and significantly reduce the value of your investment.

### *Investments in Non-Performing Assets*

The Funds may make investments that are or become nonperforming or are or become troubled assets and that involve a high degree of financial risk. Investments in properties which require restructuring or workouts or operating under bankruptcy protection laws may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of a Fund's original investment. In addition, under certain circumstances, payments to the Funds or distributions to a Fund's limited partners may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt or as equity contributions.

### *Failure of a Property*

Although the Funds will attempt to carefully select each piece of real estate constituting the property, it is possible that the segments of the real estate market in which the Funds invest could suffer more so than other segments or that the Funds could lose all or a portion of their investments in a particular property because of market or other conditions relating to such property. There are no requirements as to concentration or diversification imposed on the Funds or the Firm with respect to the allocation of assets. No assurance can be given that the failure of one or more properties will not have a material adverse effect on a Fund's overall performance.

### *Valuation of Portfolio Investments*

From time to time, special situations affecting the valuation of the investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Funds) could have an impact on the value of a client's investment, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. Generally, Bison is not required to make retroactive adjustments to prior subscription or withdrawal transactions, management fees or performance allocations based on subsequent valuation data. In addition, Bison may, but is not required to, discount the value of its positions due to limited liquidity, concentration levels or for other reasons. Due to the nature of its investments, Bison may not be able to place a precise value on positions and therefore may need to estimate values.



### *Success of the Funds Depends on Bison's Abilities*

The success of the Funds depends upon the Firm's ability to acquire, finance and dispose of the project in a manner that produces cash flow for distribution to the investors. The owner of the Firm has extensive experience investing in real estate. The Funds will be particularly dependent upon the efforts, experience, contacts and skills of Bison. The temporary or permanent incapacity or loss of the principal(s) of the Firm could have a material, adverse effect on the Funds. Such loss could occur at any time due to death, disability, resignation or other reasons. In addition to these risks, the offering materials of each Fund describe risks associated with such Fund's operations and investment activities.

### *Information Technology, Electronic Communications & Cybersecurity Risks*

Bison, the Funds, their respective service providers and other market participants increasingly depend on information technology and electronic communications systems to conduct business function, including through expanded remote work activities. These systems are subject to a number of different threats or risks that could adversely affect the Funds and investors, despite efforts of the Funds and service providers to adopt technologies, processes, and practices to mitigate such risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and investors. Moreover, Bison and the Funds are susceptible to operational, information security and other cybersecurity risks, both directly and through their respective service providers. Similar types of cybersecurity risks are also present for investments, which could result in material adverse consequences for such investments and may cause the investments to lose value. These risks may not be covered by insurance. In general, cybersecurity incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through hacking or use of malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out without ever obtaining direct access to the targeted systems, such as through a denial-of-service attack which could result in the target's network services becoming unavailable to its intended users. Cybersecurity failures by, or breaches of, the systems of any of Bison, the Funds and other service providers (including, but not limited to, data providers, fund accountants, custodians, transfer agents and attorneys), market makers or the entities in which the Funds invest, could cause disruptions and impact business operations, potentially resulting in one or more of the following: material financial losses, interference with the Funds' ability to calculate net asset value, unintended disclosure of confidential information, material impediments to trading, submission of erroneous trades or redemption orders, the inability of Bison, the Funds or service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, cyber-attacks may render inaccessible, inaccurate or incomplete any or all of the records of Bison or the Funds. Substantial costs may be incurred by the Funds in order to prevent or address cyber-incidents in the future. Bison has established a cybersecurity policy and business continuity procedures to address and mitigate these cybersecurity risks. Despite these efforts, certain risks may not yet have been identified and it is possible that prevention and remediation efforts will be inadequate or unsuccessful. Additionally, because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against their targets, Bison may be unable to anticipate these techniques or to implement adequate preventive measures. Furthermore, Bison is unable to directly control the cybersecurity procedures and systems of any service providers, and any of the Funds and the investors could be materially and adversely impacted as a result.

### *Competition*



The business of private-real estate funds and the real estate business are highly competitive and have become more so in recent years due to a substantially increased flow of capital into real estate partnerships and similar investment organizations. The Funds will compete with other established companies and partnerships with substantial resources and experience. Moreover, the volume of attractive investment opportunities varies greatly from period to period. There can be no assurance that the Funds will be able to make investments on attractive terms.

#### *Limited Operating History*

Funds are special purpose entities created for the purpose of the applicable offering and have no operating history before the commencement of the offering. Notwithstanding any prior operating experience or experience that principals or affiliates of the Firm may have in making investments of the type, the Funds expect to make, any such prior experience was obtained under different market conditions and under a different organizational structure. There can be no assurance that principals and affiliates of the Firm will be able to duplicate prior investment success or that the Funds will achieve their objectives or achieve positive results of any kind.

#### *Limited Source for Investments*

If a Fund, for any reason, fails to identify enough suitable opportunities for investment, or does not raise sufficient capital, then the Fund will be less diversified and exposed to greater risks as a result. In addition, because the Funds intend to limit the scope of their investments, the Funds will be relying on the expertise of the Firm (and its affiliates) in identifying and analyzing the real estate underlying a particular opportunity.

#### *Lack of Diversification*

The Funds are not subject to any restrictions with respect to investments in any geography or type of investment. The Funds will have a non-diversified portfolio and will have large amounts of their assets invested in a small number of multi-family and industrial properties. Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Funds.

#### *Inadequate Capital*

The net income, if any, earned from the property after payment of debt on leverage used to acquire the property may not be significant prior to the eventual sale of the property. The Funds will hold the property for a significant period of time (subject to the Firm's discretion to sell the property sooner or to extend a Fund's term by up to additional two years), and market and economic conditions and other relevant factors may compel the Funds to hold such assets for much longer, which could delay any possible distributions to the investors of the Funds. If for any reason a Fund's operating reserves are insufficient to fund its expenses, the Firm may be required to make a capital call from all investors in amounts up to but not in excess of each investor's capital commitment. If the capital commitments are inadequate to provide the cash required by the Funds, the Firm's only recourse would be to provide an advance of its own funds, or obtain a loan from a investor or a third party, which may or may not be available on terms advantageous to the Funds. Such sources or other sources of funding may not be available or may not be available under terms that are acceptable. Any additional financing could ultimately dilute the investors' interest in the Funds.

#### *Restrictive Covenants*

As is common in commercial credit arrangements, it is expected that under any loan agreement, the lender could impose restrictions on the Funds that will affect a Fund's distribution and operating policies and their ability to incur additional debt. The loan documents that the Funds may enter into will likely contain covenants that limit a Fund's ability to make distributions, further mortgage investments, discontinue insurance coverage, which could consequently have adverse effects on a



Fund's ability to make distributions. These and other limitations such as maintaining specified debt service coverage ratios may limit a Fund's flexibility and its ability to achieve its objectives. Moreover, under current credit conditions, lenders are potentially more likely to strictly enforce the provisions of their loan documents, including the financial and other covenants therein. Failure to comply with such covenants could result in defaults that accelerate payment under a Fund's debt, and it would then be subject to all of the risks associated with substantial indebtedness, including the risk that the Funds would not be able to make required payments on indebtedness, and their inability to obtain additional financing in the future for working capital, capital expenditures or other purposes. Accordingly, in the event of a default in payment of outstanding indebtedness with respect to a loan relating to a given property, the Funds may lose all or a portion of their investment in the property, may be forced to reduce operations, and the investors may lose all or a portion of their investments in the Funds.

#### *Due Diligence May Not Uncover All Material Facts*

The Firm, through its members, has had extensive prior experience in real estate projects. The Firm has endeavored and will continue to endeavor to obtain and verify material facts regarding each property that the Funds consider acquiring. It is possible, however, that the Firm may not discover certain material facts about the property, which could lead the Firm to make poor decisions in acquiring, operating, or selling properties comprising the property.

#### *Financial Projections May Be Wrong*

Financial projections, and any other statements previously provided to an investor relating to the Funds or their prospective business operations that are not historical facts, are forward-looking statements that involve risks and uncertainties. Although such statements are based on the Firm's current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain. A variety of factors could cause business conditions and results to differ materially from what is contained in any such forward-looking statements. It is possible that actual results from operation of the property will be different than the returns anticipated by the Firm and/or that these returns may not be realized in the timeframe projected by the Firm, if at all.

#### *Regional, State and Local Economic Conditions*

Performance of the property is likely to be dependent upon the condition of the economy in the areas where the property is located. The Funds expect to hold the property for a significant period, but the Firm has the discretion to sell properties composing the property earlier. There is a risk that at the time of the projected sale of the property, the marketplace may be different than projected, which may require the property to be held longer than anticipated or sold at a loss. Despite the Firm's projections, an investor should be prepared to leave the investor's capital contribution with the Funds until the property is sold.

#### *Nature of Assets*

A Fund's investments will be subject to the risks inherent in the ownership of real estate assets. These risks include fluctuation in the real estate markets, slowdown in demand for land of the type of the property, oversupply of a certain type of property, the financial conditions of builders, developers, and end users of properties, increases in the cost of construction, changes in building, environmental, zoning and other laws, changes in real property tax rates or the assessed values of the property, changes in interest rates and the availability or terms of debt financing, changes in operating costs, risks due to the absence of cash flow, environmental liabilities, uninsured casualties, unavailability of or increased costs of certain types of insurance coverage, the impact of the COVID-19 pandemic and private and government responses to the pandemic, and acts of God,



acts of war, hostilities, terrorist acts, labor strikes, pandemics and other factors which are beyond a Fund's control.

#### *Zoning & Governmental Approvals*

Real estate development and ownership is subject to extensive regulation related to zoning, land use, building design, taxation, construction materials, warranties, environmental protection and workplace safety, among others. Projects may be subject to legal challenges brought by governmental authorities or private parties. Local governments may enact growth control initiatives, annexation or building restrictions, impose moratoriums to restrict development or other adverse economic or monetary policies, and increase the fees imposed on developers to fund roads, schools, open spaces or affordable housing. Any of the foregoing could prevent the Funds from undertaking or completing a particular project, impair their ability to sell or dispose of the property, force them to implement design changes, increase the cost of obtaining the necessary approvals, and/or cause delays in the approval process.

#### *Real Estate Development*

Real estate development has historically been cyclical, and is affected by general and local economic conditions, such as employment levels, consumer confidence, interest rates and the availability of financing. The industry is also highly competitive, with developers competing for desirable land, financing, building materials, skilled labor and purchasers or end users. Natural disasters and other catastrophes (such as acts of terrorism) can damage existing buildings, delay construction in progress, reduce the availability of building materials and skilled labor, and cause economic disruptions that would result in decreased demand for new construction. Labor strikes can also cause delays and increase the cost of development. Development projects may be subject to warranty and other claims related to construction defects and other construction-related issues, including compliance with building codes.

#### *Competition*

One of the risks facing any commercial property is new competition in the marketplace. New competition can significantly change the supply and demand ratio within a market, thus potentially leading to major drops in occupancy and rental rates. This may negatively impact the value of any real estate asset in a market. The existence of competing developers and owners could have a material adverse effect on a Fund's ability to market the property and could adversely affect a Fund's profitability.

#### *Supply & Demand Factors*

A slowdown in the national economy could cause some weakness in demand for the property when the Funds seek to sell it. Decreasing wages may negatively impact demand and corresponding rental rates. While cooling economic conditions could play a role in the change of fundamentals, so can an increase in new completions. An increase in inventory will result in increased competition. A decrease in demand for office space may result from the prolonged coronavirus-related work-from-home environment; any such decrease in demand could have a material and adverse effect on our return on investment in the property.

#### *Commercial real estate*

Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations. Commercial property values and net operating income are subject to volatility, which may result in net operating income becoming insufficient to cover



debt service and deliver a return on equity. A commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally require substantial capital expenditure.

#### *Single Tenant Property*

Certain properties held by the Funds may be occupied by only one tenant or derive a majority of their rental income from one tenant. The success of such properties will thereby be materially dependent on the financial stability of such tenants. In the event of a default by any such tenant, the Funds may experience delays in enforcing their legal rights and may incur substantial costs in protecting their investment and re-letting the property. If a single tenant lease is terminated or an existing tenant elects not to renew a lease upon its expiration, there is no assurance that the Funds will be able to lease the property for the rent previously received or sell the property without incurring a loss.

#### *Uninsured and Underinsured Losses; Availability and Cost of Insurance.*

Some properties comprising the property may be located in geographic areas at risk for damage to property due to certain weather-related and environmental events, including snowstorms, ice storms, severe thunderstorms, tornadoes, hurricanes, and flooding. To the extent possible, the Project will attempt to acquire insurance against fire or environmental hazards. However, such insurance may not be available in all areas, nor are all hazards insurable as some may be deemed acts of God or be subject to other policy exclusions.

All decisions relating to the type, quality and amount of insurance to be placed on the property are made exclusively by the Firm. Certain types of losses, generally of a catastrophic nature (such as hurricanes, earthquakes and floods) may be uninsurable, not fully insured or not economically insurable. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full prevailing market value or prevailing replacement cost of the property. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it unfeasible to use insurance proceeds to replace the property after the property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the property. Recently, the cost of certain types of extraordinary insurance coverage for such things as hurricanes, floods and earthquake has risen substantially. These types of losses are not generally covered in a standard hazard and liability insurance policy. In certain locations, this type of insurance may be unavailable to cost-prohibitive. The Funds may proceed without insurance coverage for certain extraordinary risks if they cannot secure an appropriate policy or if the Firm believes that the cost of the policy is too high with respect to the risks to be insured. Furthermore, an insurance company may deny coverage for certain claims, and/or determine that the value of the claim is less than the cost to restore the property, and a lawsuit could have to be initiated to force them to provide coverage, resulting in further losses in income to the Funds. Additionally, the property may now contain or come to contain mold, which may not be covered by insurance and has been linked to health issues.

#### *Financial Institution Risk; Distress Events.*

An investment in the Funds is subject to the risk that banks, brokers, hedging counterparties, lenders or other custodians (each, a “Financial Institution”) of some or all of the Funds’ assets fail to timely perform their obligations or experience insolvency, closure, receivership or other financial distress or difficulty (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Bison and/or the Funds may not be able to access deposits, borrowing facilities or other services, either permanently



or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Bison to manage the Funds and their investments and on the ability of Bison and the Funds to maintain operations, which in each case could result in significant losses. Such losses have the potential to include a loss of funds and the inability of Funds to acquire or dispose of investments or acquire or dispose of such investments at prices that Bison believes reflect the fair value of such investments. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that the Funds will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). Although Bison expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Funds are subject to similar risks if a Financial Institution utilized by investors in the Funds or by suppliers, vendors, service providers or other counterparties of the Funds becomes subject to a Distress Event, which could have a material adverse effect on the Funds.

A Financial Institution may require, as a condition to using its services (including lending services), that Bison and/or the Funds maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although Bison seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their obligations to the Funds, Bison is under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH CLIENTS’ INVESTMENT PROGRAMS OR THE FIRM’S INVESTMENT STRATEGIES. PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO CONSULT WITH LEGAL AND TAX COUNSEL AS NEEDED TO CONSIDER RELEVANT RISK FACTORS.**



## **ITEM 9. DISCIPLINARY INFORMATION**

Item 9 is not applicable to Bison or any of our management persons, as they have no reportable material legal or disciplinary events.



## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### *Related Broker-Dealers*

Neither Bison nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative.

### *Related Futures Commission Merchant/Commodity Pool Operator/Commodity Trading Advisor*

Neither Bison nor any of our management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or as an associated person of any of the foregoing entities.

### *Related Person Arrangements*

Employees and representatives of Bison have personal interests in a variety of independent business entities. While such employees and representatives do not typically invest in business entities that would create a direct conflict of interest with a client's interest, a conflict of interest may arise. If such a conflict did arise, Bison and such employees would take action to minimize any such conflict and take action in accordance with the clients' organizational documents and Bison's code of ethics and standards of conduct to resolve the conflict.

Mr. Brewer and employees of Bison have and may have personal investment accounts and activities outside of their ownership, management and involvement in Bison. These activities, from time to time, include and may include real estate holdings which are not deemed to be in competition with Bison's Funds.



## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

Bison maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted, and is committed to enforcing, a Code of Ethics. Our Code of Ethics applies to each employee of Bison and any other "access person" of Bison, and we obtain a written acknowledgment on behalf of each employee or access person of Bison that they have read the provisions of the Code of Ethics carefully and agree to conduct business on behalf of Bison in accordance with the Code of Ethics. Our Code of Ethics is designed to ensure compliance with legal requirements and with our standard of business conduct, to reduce actual and potential conflicts of interest and to initiate certain "best practices" to ensure that our employees and access persons place the interests and integrity of our clients above their own personal interests. Sanctions for noncompliance with Bison's Code of Ethics vary according to the circumstances but may include suspension or termination of employment.

The below summary of Bison's Code of Conduct does not purport to be complete and is qualified by reference to the full version Bison's Code of Ethics, a copy of which is available to any client or prospective client upon request to our Chief Compliance Officer, Michael Boecking, whose contact information is on the cover page of this brochure.

#### *Standards of Conduct*

Bison and its members, employees, and access persons are expected to comply with all applicable federal and state laws and regulations. Investors, employees, and access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of our Chief Compliance Officer. Investors, employees, and access persons are expected to deal with clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and Bison or the client.

#### *Ethical Business Practices*

Falsification or alteration of records or reports, also known as a prohibited financial practice, or knowingly approving such conduct, is strictly prohibited. Bison seeks to outperform its competition fairly and honestly and seeks competitive advantages through superior performance, not illegal or unethical dealings.

#### *Confidentiality*

Employees must maintain the confidentiality of Bison's proprietary and confidential information and must not disclose that information unless necessary approval is obtained. Bison has a particular duty and responsibility, as an investment adviser, to safeguard client information. Information concerning the identity and transactions of investors is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

### **PERSONAL TRADING**

Our access persons are prohibited from trading "Restricted List Securities." "Restricted List Securities" are securities of companies that Bison prohibits its access persons from trading due to Bison's possession of material nonpublic information about those companies. Access persons who



violate the personal trading policy are reprimanded in accordance with the sanctions outlined in the policy and/or the Code of Ethics, which may include suspension or termination of employment. Personal securities transactions are monitored and reviewed by our Chief Compliance Officer or his designee for compliance with our personal trading policy and applicable SEC rules and regulations.

#### *Prohibition Against Insider Trading*

Bison forbids any employee from trading, either personally or on behalf of others, including clients advised by Bison, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. The prohibition of trading while in possession of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in our personal trading policy.

#### *Reporting Requirements*

In compliance with SEC rules, our personal trading policy requires access persons to disclose all of their personal brokerage accounts and other securities holdings within 10 days of their initial engagement with Bison and annually thereafter. Additionally, no later than 30 days after each quarter-end, all access persons must report all transactions in reportable securities over which the access person had any direct or indirect beneficial ownership.

### PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

We expect our partners and employees to conduct Bison's affairs on an arm's length basis and generally to avoid business or financial activities that may conflict with those of our clients. However, from time to time, Bison's partners, employees, or their affiliates may invest alongside the Funds. In addition, Bison's partners, employees or their affiliates may own real estate or other assets that are sold to one or more Fund or may purchase real estate or other assets from one or more Fund. Moreover, one or more Fund may acquire an interest in which Bison's partners, employees or their affiliates own an interest. To ensure that the interests of the Funds remain our priority, we generally require disclosure and consent with respect to private transactions that raise conflicts of interest, as described below. Bison's partners and other personnel communicate openly and frequently among themselves in order to ensure that the interests of the Funds remain our priority.

Principal transactions are transactions (i) where an adviser, acting as principal for its own account, knowingly buys securities from, or sells securities to, a client and (ii) where an affiliate or controlling person of the adviser is acting in a principal capacity with clients of the adviser (i.e., where we or an affiliate cause a client to engage in a trade with one of our affiliates). Section 206(3) of the Adviser Act generally prohibits an investment adviser from engaging in a principal transaction unless such adviser (i) makes written disclosure to the client of the capacity in which it is acting and (ii) obtains the client's consent to the transaction. We generally will not engage in a principal transaction with respect to any of the Funds unless we obtain the prior approval of the applicable Advisory Committee or the Funds' investors (in accordance with the provisions set forth in the applicable governing document or offering memorandum), or otherwise disclose such transaction to all investors in the Funds' offering documents.

### OTHER POTENTIAL CONFLICTS OF INTEREST

Bison and its affiliates engage in a broad range of activities, including activities for their own account and for the accounts of clients. In addition to other sections of this brochure describing potential conflicts of interest, this section describes various potential conflicts that may arise in



conducting our business, as well as how Bison addresses such conflicts of interest. The discussion below may not be inclusive all conflicts that may arise.

Any of the potential conflicts of interest discussed in this brochure will be discussed and resolved on a case-by-case basis. Bison's determination as to which factors are relevant, and the resolution of such conflicts, will be made using Bison's best judgment, but in its sole discretion. In resolving conflicts, Bison will take into consideration the interests of the relevant clients, the circumstances giving rise to the conflict and applicable laws.

Material conflicts of interest that may generally be encountered by the Funds include those discussed below and throughout this brochure. Other, specific conflicts may be disclosed in the offering documents relating to each Fund, which materials we advise our clients to read in their entirety. In addition to the above, please see the discussion in Item 10.

#### *Allocation of Investment Opportunities*

Bison acts as investment adviser to many clients that have similar investment objectives and pursue similar strategies. Certain investments identified by Bison may be appropriate for multiple clients. Investment decisions for such clients are made by Bison in its best judgment, but in its sole discretion, taking into account such factors as Bison believes relevant and may include investment objectives, regulatory restrictions, current holdings, availability of cash for investment, the size of investments generally, and limitations and restrictions on a client's account that are imposed by such client. A particular investment may be bought or sold for only one client or in different amounts and at different times for more than one but less than all clients, even though it could have been bought or sold for other clients at the same time. Likewise, a particular investment may be bought for one or more clients when one or more other clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more clients on the same date. There can be no assurance that a client will not receive less (or more) of a certain investment than it would otherwise receive if Bison did not have a conflict of interest among clients. In effecting transactions, it is not always possible, or consistent with the investment objectives of Bison's various clients, to take or liquidate the same investment positions at the same time or at the same prices. Certain investment restrictions may limit Bison's ability to act for a client and may reduce performance. Regulatory and legal restrictions (including restrictions on aggregated positions) may also restrict the investment activities of Bison and result in reduced performance.

Bison seeks to manage and/or mitigate these potential conflicts of interest by including provisions with respect to the allocation of investment opportunities among its clients, including the allocation of limited investment opportunities, in the governing documents of each client sensitive to this conflict. Our allocation policy is based on a fundamental desire to treat each client account fairly over time. Each Fund is made aware of this potential conflict of interest in the offering materials for such Funds, and the procedures for allocation of investment opportunities are set forth in detail in the governing documents of each Fund.

#### *Devotion of Time by our Officers*

The officers of Bison may, at times, devote a portion of their business time to ventures other than managing the Funds, including ventures unrelated to the business of Bison. Funds managed by such partners may be at a competitive disadvantage to other Funds which are managed by partners or other personnel of Bison that devote their entire attention to Bison's business. We address this conflict by actively monitoring the performance of, and the services provided to, the Funds to ensure that they receive the highest quality services.



## ITEM 12. BROKERAGE PRACTICES

### *Broker-Dealer Selection*

Bison generally focuses on making private investments in real estate and real estate related assets, which transactions typically are privately negotiated by the Firm and the buyer or seller. Accordingly, the investment strategies we employ for the Funds do not generally involve securities transactions that require the use of a securities broker-dealer or other counterparty. However, we may from time-to-time execute securities transactions with a broker-dealer. Bison or an affiliate generally has the sole discretion over the purchase and sale of investments, including the size of such transactions and the broker or counterparty, if any, to be used to affect the transaction.

In place any transaction through a broker-dealer, Bison has an obligation to obtain "best execution" in client transactions considering the execution price and overall commission costs paid and certain other factors. Our trading desk route orders to various broker-dealers for execution at their discretion. Where possible, we deal directly with the dealers who make a market in the securities involved, except in those circumstances where it believes better prices and execution are available elsewhere.

### *Soft Dollar Arrangements*

Bison currently does not have any formal soft dollar arrangements with any broker-dealer or third party in connection with client securities transactions, nor does Bison consider research benefits or soft dollar arrangements when selecting or recommending broker-dealers for client transactions.



### **ITEM 13. REVIEW OF ACCOUNTS**

#### *Oversight and Monitoring*

Bison provides continuous advisory services for the Funds. The portfolio investments of each Fund are primarily reviewed by Mr. Brewer.

#### *Reporting*

We send unaudited reports to our Funds, depending on the requirements set forth in the governing documents for each Fund. Certain of our Funds may engage an independent public accounting firm to prepare audited financial statements of such Funds within 120 days of the end of each fiscal year (or such shorter period as may be set forth in a Fund's operative documents) or as soon as reasonably practicable thereafter. We furnish any Funds not subject to an audit with unaudited quarterly or more frequent reports reviewing a Fund's performance for the period, as well as annual letters from Bison. Investors in the Funds with an administrator receive a quarterly investor statement from a Fund's administrator, which shows capital activity, income (loss), management fees and a pro-forma calculation of any performance reallocation. All of these reports are written.



#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Bison may in the future engage, a placement agent(s) in connection with the offering of interests in the Funds to prospective investors. As compensation for their services, such placement agents may receive compensation from Bison or an affiliate which may include a retainer and percentage of an investor's commitment, or such other compensation as agreed to with such placement agent and disclosed to relevant investors. In each case, the placement agent is or will be disclosed in the respective Fund's private placement memorandum, Form ADV Part 1A, Section 7.B.(1), and Form D.



## **ITEM 15. CUSTODY**

Bison does not act as the qualified custodian of its clients' assets. However, based on our control, we are deemed to have custody of the Funds' assets. The Firm holds cash and any certificated securities at an unaffiliated qualified custodian, to the extent required by Rule 206(4)-2 under the Advisers Act. The Firm is not required to comply with the requirement to use a qualified custodian with respect to "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act; however, the Firm has implemented procedures in its compliance manual that are designed to safeguard these privately offered securities.

In compliance with the audit approach exception to the custody rules set forth in Rule 206(4)-2 under the Advisers Act, certain Funds may be subject to an annual audit and, in such instances, the Firm would provide the Funds investors with the resulting audited financial statements, prepared in accordance with generally-accepted accounting principles, on an annual basis within 120 days after a Fund's fiscal year end. Financial statements are audited by a Public Company Accounting Oversight Board-registered and inspected firm. Investors should review these audited financial statements carefully. Any pooled vehicle that is not subject to such audit will be subject to a surprise examination conducted by an independent public accounting firm pursuant to Rule 206(4)-2(a)(4). In addition, Bison will use reasonable efforts to ensure that the qualified custodians for such entities send an account statement at least quarterly to the investors in such entities identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during the period.



## **ITEM 16. INVESTMENT DISCRETION**

Bison provides investment advice directly to its Funds pursuant to a written investment management agreement with each Fund. Bison does not provide advice directly to the investors in the Funds. Powers of attorney and any restrictions on Bison's authority are set forth in the organizational documents and subscription documents of each Fund. Please refer to the disclosures relating to potential conflicts of interest in connection with allocation of investment opportunities as set forth in Item 11.



## ITEM 17. VOTING CLIENT SECURITIES

Bison generally focuses on making private investments in real estate and real estate related assets. Accordingly, while we are rarely in a position to cast votes on behalf of our clients, in the unusual event we are requested to do so, we will accept such authority to vote client securities in accordance with our voting policies and procedures, summarized below.

Bison will treat voting rights of securities held in a Fund's portfolio in a manner that it believes is in such Fund's best interests. Initially, Bison will determine whether it is in a client's best interest for Bison to exercise the client's voting rights with respect to specific securities. If Bison determines that it is appropriate to exercise voting rights in a particular instance, the matters on which a vote is solicited will be evaluated in light of the client's investment objectives and to maximize the client's value.

In the event of a conflict of interest, our Chief Compliance Officer will advise as to whether and how the proxy should be voted. Bison is committed to resolving any such conflict in the best interest of the applicable client(s) before it votes the proxy in question. Potential conflicts of interest that may arise with respect to the outcome of certain proxy votes include Bison having a material business relationship with a proponent of a proxy proposal, participants in a proxy contest or directors or nominee directors of a portfolio company or an employee of Bison having a personal interest in the outcome of a particular proxy proposal. To resolve the conflict, Bison may take any of the following courses of action:

- Disclose the conflict to the applicable client(s) and obtain their consent prior to voting.
- Suggest that the applicable client(s) engage another party to determine how the proxy should be voted.
- Vote in accordance with the recommendation of an independent third party, such as a proxy consultant, research analyst or compliance consultant.

This summary of Bison's voting policies and procedures does not purport to be complete and is qualified in its entirety by Bison's voting policies and procedures. Bison will make information regarding proxy voting available upon request to any investor, and a copy of Bison's voting policies and procedures is available to any investor upon request sent to our Chief Compliance Officer, Michael Boecking, whose contact information is on the cover page of this brochure.



## **ITEM 18. FINANCIAL INFORMATION**

Bison is not required to provide financial statements because it does not serve as a qualified custodian of client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.