

Baseline Partners LLC

1819 E. Southern Ave.
Mesa, AZ 85204
Phone: (480) 336-9730
www.baseline-partners.com

Revised: November 2023

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Baseline Partners LLC (“Baseline”, “we” or “us”). If you have any questions about the contents of this brochure, please contact us at (480) 336-9730 or bgruenewald@baseline-partners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Baseline Partners LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Baseline Partners LLC is 301762.

Baseline Partners LLC is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

Baseline's initial filing of Part 2 of Form ADV was January of 2023. There have been no material changes in Baseline business activities since the time of the January 2023 filing. This update reflects changes to our Chief Compliance Officer. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of Baseline's fiscal year. We may further provide other ongoing disclosure of material changes as necessary.

We will provide you a new brochure as necessary, based on changes or new information, at any time without charge. Currently, Baseline's brochure may be requested by contacting Debbie Burris, Baseline's Chief Compliance Officer (the "CCO"), at (602) 558-9834 or dburris@baseline-partners.com.

Item 3: Table of Contents

	Page
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	4
Item 6: Performance-Based Compensation and Side-By-Side Management.....	6
Item 7: Types of Clients	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information.....	11
Item 10: Other Financial Industry Activities and Affiliations.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12: Brokerage Practices.....	13
Item 13: Review of Accounts	14
Item 14: Client Referrals and Other Compensation	14
Item 15: Custody	15
Item 16: Investment Discretion	15
Item 17: Voting Client Securities	15
Item 18: Financial Information.....	15

Item 4: Advisory Business

Baseline Partners LLC is a Delaware limited liability company that was founded in November 2018. Baseline serves as investment manager to two private investment funds, Baseline CRE Income Fund, LLC (“Baseline CRE”), a Delaware limited liability company, and Baseline Credit Opportunity Fund, LLC (“Baseline Opportunity”), a Delaware limited liability company (together the “Funds”). Unless otherwise described, references herein to the “Fund” or “Funds”, “Member” or “Members” or “Unit” or “Units” shall be used to reference both Baseline CRE and Baseline Opportunity.

Baseline is a privately held investment adviser with headquarters in Mesa, Arizona principally owned (indirectly) by Patrick R. Cardon.

Baseline provides discretionary investment management services to the Funds generally designed to preserve and protect capital and to pay attractive and stable cash distributions by investing in credit opportunities within the U.S. commercial real estate markets, which primarily include first-lien and short-term loans collateralized by real property. For more information regarding Baseline’s investment strategies, please see Item 8 below. The limited liability company interests in Baseline CRE and Baseline Opportunity are not and will not be registered under the Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state or any other jurisdiction, nor is any such registration contemplated. In addition, the Funds are not and will not be registered as investment companies under the Investment Company Act of 1940, as amended (the “1940 Act”), in reliance on various exceptions under Section 3(c) thereof.

Baseline does not presently manage assets for any individual or separate account clients or other investment vehicles (other than the Funds) and does not tailor its advisory services to individual needs of other clients.

As of December 31, 2023, Baseline’s Regulatory Assets Under Management as defined in the instructions to Form ADV Part I were \$125,432,974, all managed on a discretionary basis.

For more information about the Funds, including applicable fees and other terms and conditions of investment, please consult the Private Placement Memorandum for the applicable Fund.

Item 5: Fees and Compensation

Management Fee

Baseline generally charges the Funds a management fee that varies based on the Class of Units held by the Funds’ members. Baseline CRE and Baseline Opportunity have the same classes of units. Members holding Class A Units and Class AR Units pay a management fee calculated and paid quarterly in arrears equal to 2.0% per annum of the Fund’s Net Asset Value, which accrues quarterly. Members holding Class B and Class C Units and Class BR and Class CR Units pay a management fee calculated and paid quarterly in arrears equal to 1.5% per annum of the Fund’s Net Asset Value, which accrues quarterly; provided that in the event of an additional capital contribution or withdrawal, the management fee of the Members holding Classes of Units which are converted to other Classes at any time during a fiscal year shall be adjusted at the time of such conversion to reflect the applicable management fee rates for the applicable Classes for the partial

fiscal year periods during the year on a pro-rated basis. Members holding Affiliate Units or Affiliate R Units will pay a management fee calculated and paid quarterly in arrears equal to 1.0% per annum of the Fund's Net Asset Value, which accrues quarterly. Members holding Founder Units or Founder R Units will not pay a management fee. Management fees are subject to reduction or waiver at Baseline's discretion.

Incentive Allocation

With respect to the Funds, if any fiscal year the net profits allocated to the capital account of a Member exceed the net losses allocated to such Member's capital account, Baseline will receive an incentive allocation equal to an Incentive Allocation Percentage (as defined for each unit class) of such profits (including realized and unrealized gains and losses) of the Fund otherwise allocable to that Member's capital account during such fiscal year. The incentive allocation, which is also subject to a loss carryforward, will not be made if the net profits (including realized and unrealized gains and losses) of the Fund otherwise allocable to a Member's capital account in such fiscal year are less than 7% of such Member's beginning capital account balance for the applicable fiscal year on an annualized basis (the "Hurdle Rate"). The "Incentive Allocation Percentage" is generally determined on the date of a Member's initial capital contribution and otherwise, on an annual basis only, as of the first day of each fiscal year and, is equal to 20%, annually, for Members holding Class A Units, Class AR Units, Class B Units and/or Class BR Units as of such date and 15%, annually, for Members holding Class C Units and/or Class CR Units as of such date. Members holding Founder Units, Founder R Units, Affiliate Units or Affiliate R Units do not pay any incentive allocation; provided that in the event of an additional capital contribution or a withdrawal by Members resulting in a corresponding conversion to other Classes, the incentive allocation of the Members holding Classes of Units which are converted to other Classes shall generally be adjusted to reflect the applicable incentive allocation rates. Baseline may waive or reduce the incentive allocation with respect to certain Members.

The performance-based compensation described above conforms to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Incentive allocation (and relevant loss recovery accounts), if applicable, are made at the end of the financial year to which the allocation pertains, or upon a withdrawal or distribution from or termination of a Fund.

Expenses

The management fee and incentive allocation are separate from the origination and servicing fees payable by the Funds to an affiliated originator, transaction fees, Baseline's costs of providing services, including personnel and other related costs and other expenses which are incurred by the Funds. In addition to the above, the Funds are responsible for all expenses incurred in connection with forming and establishing the Funds and the sale of Units, attorneys' fees, the expenses for travel and printing; all filing fees and expenses; any associated taxes and fees; accountants' fees and costs; out-of-pocket expenses of any placement agent or financial investment advisors; charges of escrow holders, depositaries and experts; expenses of complying with the registration, qualification, or exemption requirements under Federal and State securities laws; operating expenses of the Fund and allocated overhead of the manager and its affiliates to the extent reasonably related to the formation and establishment of the Funds, Baseline Manager and the Members of each of the foregoing.

Item 11 below provides additional information regarding Baseline's arrangements with its affiliates, including fees that may be payable to the Affiliated Originator and Item 12 below further describes the factors Baseline considers in selecting or recommending intermediaries for client transactions and determining the reasonableness of their compensation.

Generally, the Funds' administrator calculates the management fees and, if applicable, any incentive compensation payable or allocable to Baseline or Baseline Partners, and permits payment in accordance with the terms of the Funds' governing documents.

Item 6: Performance-Based Compensation and Side-By-Side Management

As described in Item 5 above, the Funds are subject to an incentive allocation based on a share of the total return of the assets of a Fund investor. In measuring clients' assets for the calculation of incentive allocations, Baseline includes realized and unrealized capital gains and losses and net interest, dividend, and other income, after deduction of all expenses including its management fee.

Performance-based compensation arrangements may create an incentive for Baseline to make investments which may be riskier or more speculative than those which would be made under a different fee or other compensation arrangements. The Funds each carry identical incentive allocations. Performance-based allocation arrangements comply with the requirements of Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or other applicable exemptions under Section 205(b) or (e) of such Act, and with applicable state laws, rules and regulations.

Baseline does not manage any accounts other than those of the Funds.

Item 7: Types of Clients

Baseline provides portfolio management services to the Funds, the investors in which are generally high net worth individuals, institutional investors, fund-of-funds, and family offices. Baseline may advise different types of clients in the future. The minimum capital contribution for the Funds is \$100,000, subject to waiver by Baseline.

An investor in Baseline CRE or Baseline Opportunity must generally be (i) an "accredited investor" as defined in Regulation D under the 1933 Act and (ii) a "qualified client" under the Advisers Act.

Baseline CRE and Baseline Opportunity currently rely on an exemption from registration under the 1940 Act that is available to investment partnerships that do not have more than 100 investors. Another exemption from registration under the 1940 Act for entities that are primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate is also available to the Funds.

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

Baseline's investment objective in managing the Funds is to preserve and protect capital and to pay attractive and stable cash distributions by investing in credit opportunities within the

U.S. commercial real estate markets, which primarily include first-lien and short-term loans collateralized by real property. Baseline seeks to achieve this objective by striving to:

- Identify opportunities aligned with Baseline's strategy;
- Source assets that are consistent with the investment strategy and criteria;
- Define and refine investment thesis to adjust to market conditions and credit cycles; and
- Define specific investment and performance criteria for each asset and opportunity.

Generally, the Funds pursue the same investment objectives with some differences. Baseline CRE loans are collateralized by commercial real property, with the objective of achieving a high monthly income stream. The average overall duration of the loans typically ranges between 12 to 36 months. Baseline CRE also invests in commercial real estate securities, such as first mortgages, credit loans and commercial mortgage-backed securities, and comparable investments, including various types of securitization structures through which it seeks to obtain leveraged exposure (often "customized" as per the particular terms of each securitization) to the loans and other assets underlying such securitizations. Baseline Opportunity loans are collateralized by real property, generally lands, lots and development with the objective of achieving a consistent income stream. The average overall duration of the loans typically ranges between 12 to 36 months.

Baseline seeks to utilize a rigorous investment process to perform due diligence and underwrite every loan that becomes part of a Fund's portfolio. Baseline generally conducts a three-part review of each loan: (i) loan eligibility, (ii) borrower credit and relevant experience review, (iii) property or loan collateral review.

Baseline's target loans are for seasoned investors or operators who have performed or overseen multiple rehabilitations prior to applying for the loan. As part of the underwriting process, the borrower will typically provide detailed information of recent and relevant completed projects as well as the borrower's plan for the rehabilitation of the current property.

Property valuation review requires a two-part, third-party appraisal or broker price opinion of all properties. In addition to the appraisal and valuation review, property due diligence includes a review of the site value, age of comparable sales, obsolescence, repairs, and deferred maintenance, structural integrity of the edifice, neighborhood and market analysis, neighborhood and commercial characteristics, comparable or equivalent rentals or leases.

Investing in financial instruments involves risk of loss that clients should be prepared to bear and there can be no assurance that the Funds will achieve their investment objective.

MATERIAL RISKS

No assurance can be given, of course, that Baseline's investment strategy will be successful under all or any market conditions. Investments in the Funds are not guaranteed; and the instruments in which the Funds invest may lose value. An investment in a Fund involves a risk of loss that an investor should be prepared to bear. Baseline's strategy involves numerous risks, which are more extensively outlined in the Funds' Private Placement Memoranda, of which we would note the following selected risks associated with investing in the Funds:

Success depends on availability of attractive investment opportunities and Baseline's ability to identify, structure, consummate, leverage, manage and realize returns on investments

The Funds' operating results are dependent upon the availability of, as well as Baseline's ability to identify, structure, consummate, leverage, manage and realize returns on, loans and other investments. In general, the availability of attractive investment opportunities and, consequently, the operating results, will be affected by the level and volatility of interest rates, conditions in the financial markets, general economic conditions, the demand for investment opportunities in Funds' target assets and the supply of capital for such investment opportunities. Investors cannot be assured that Baseline will be successful in identifying and consummating attractive investments or that such investments, once made, will perform as anticipated.

Commercial mortgage loans and other commercial real estate-related debt instruments expose the Funds to risks associated with real estate investments generally

The Funds seek to selectively acquire commercial mortgage loans and other commercial real estate-related debt instruments. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact the performance by making it more difficult for borrowers to satisfy their debt payment obligations, increasing the default risk applicable to borrowers and making it relatively more difficult for us to generate attractive risk-adjusted returns. Real estate investments will be subject to various risks, including:

- economic and market fluctuations;
- political instability or changes, terrorism and acts of war;
- changes in environmental, zoning and other laws;
- casualty or condemnation losses;
- regulatory limitations on rents;
- decreases in property values;
- changes in the appeal of properties to tenants;
- changes in supply (resulting from the recent growth in commercial real estate debt funds or otherwise) and demand;
- energy supply shortages;
- various uninsured or uninsurable risks;
- natural disasters;
- changes in government regulations (such as rent control);
- changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable;

- increased mortgage defaults;
- increases in borrowing rates; and
- negative developments in the economy and/or adverse changes in real estate values generally and other risk factors that are beyond our control.

Baseline cannot predict the degree to which economic conditions generally, and the conditions for commercial real estate debt investing will improve or decline. Any declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on the Funds.

There can be no assurances that the U.S. or global financial systems will remain stable, and the occurrence of another significant credit market disruption may negatively impact Baseline's ability to execute the Funds' investment strategies, which would materially and adversely affect Baseline and the Funds.

The U.S. and global financial markets experienced significant disruptions in the past, during which times global credit markets collapsed, borrowers defaulted on their loans at historically high levels, banks and other lending institutions suffered heavy losses and the value of real estate declined. During such periods, a significant number of borrowers became unable to pay principal and interest on outstanding loans as the value of their real estate declined. Although liquidity has returned to the market and property values have generally recovered to levels that exceed those observed prior to the global financial crisis, declining real estate values could in the future reduce the level of new mortgage and other real estate-related loan originations. Instability in the U.S. and global financial markets in the future could be caused by any number of factors beyond our control, including, without limitation, terrorist attacks or other acts of war and adverse changes in national or international economic, market and political conditions. Any future sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both net interest income from loans in the portfolio as well as the ability to acquire loans, which would materially and adversely affect Baseline and the Funds.

The Funds operate in a competitive market for the acquisition of attractive investment opportunities and competition may limit Baseline's ability to acquire investments in target assets, which could have a material adverse effect.

The Funds' success will depend on their ability to obtain a regular supply of attractive loans on advantageous terms. In purchasing loans, the Funds will compete with a broad spectrum of investors and institutions (although Baseline believes that institutions are generally not major "players" in the market for short-term loans). Increased competition for, or a diminution in the available supply of, attractive loans could materially reduce the profit potential of the funds, which is primarily premised on generating a reliable stream of "enhanced" interest income on creditworthy loans. The "niche" short-term loan market opportunity which Baseline believes it has identified exists in large part because banks and financial institutions generally do not participate in this market sector. Were institutional investors to decide that it is worth their while to pursue a strategy comparable to the Funds', they would have many times the capital and other resources of Baseline and the Funds with which to do so.

The Funds face risks by concentrating on a single strategy with respect to their portfolios.

The Funds' investment strategy is to source and acquire loans which Baseline expects will be paid in accordance with the terms, from time to time providing loan originators with financing with which to "source" such loans for the Funds (so called "table financing"). While there are many facets to this strategy, it is a strategy which, although not necessarily market sensitive, is sensitive to the availability of attractive loans in which to invest.

Use of leverage may create a mismatch with the duration and index of the investment that the Funds are financing.

Baseline generally seeks to structure leverage such that it minimizes the differences between the term of the investments and the leverage used to finance such an investment. However, under certain circumstances, Baseline may determine not to do so or it may otherwise be unable to do so. In addition, Baseline finances each loan or other investment on an individual basis. Accordingly, the extended term of the financed loan or other investment may not correspond to the term to extended maturity of the financing for such loan or other investment. In the event that the leverage is for a shorter term than the financed loan or other investment, Baseline may not be able to extend or find appropriate replacement leverage and that would have an adverse impact on its liquidity and its returns. In the event that the leverage is for a longer term than the financed loan or other investment, Baseline may not be able to repay such leverage or replace the financed loan or other investment with an optimal substitute or at all, which would negatively impact the desired leveraged returns.

Baseline generally attempts to structure its leverage such that it minimizes the differences between the index of its investments and the index of its leverage (for example, financing floating rate investments with floating rate leverage and fixed rate investments with fixed rate leverage). If such a product is not available to Baseline from its lenders on reasonable terms, Baseline may use hedging instruments to effectively create such a match. For example, in the case of future fixed rate investments, Baseline may finance such investments with floating rate leverage, but effectively convert all or a portion of the attendant leverage to fixed rate using hedging strategies.

Baseline's attempts to mitigate such risk are subject to factors outside its control, such as the availability to Baseline of favorable financing and hedging options, which is subject to a variety of factors, of which duration and term matching are only two. The risks of a duration mismatch are magnified by the potential for the extension of loans in order to maximize the likelihood and magnitude of their recovery value in the event the loans experience credit or performance challenges. Employment of this asset management practice would effectively extend the duration of our investments, while Baseline's liabilities have set maturity dates.

Material Conflicts of Interests

Baseline and its affiliates will experience conflicts of interest in connection with the management of its business affairs. In particular, the management personnel of Baseline, each of whom may in the future make investment decisions for other affiliated programs and direct investments, must determine which investment opportunities to recommend to the Funds or another affiliated program or joint venture, and must determine how to allocate resources among the Funds and any other future affiliated programs. Baseline and its affiliates, including key management personnel, will have to allocate their time between us and other investment programs and activities in which they are presently involved or in which they may become involved in the future. Because Baseline may not maintain a significant equity interest in the Funds and is entitled

to receive substantial minimum compensation regardless of performance, Baseline's interests are not wholly aligned with those of the Funds' members. In addition, the expenses of the Funds are substantial and also include the allocated overhead of Baseline its affiliates to the extent reasonably related to the formation and establishment of the Funds, Baseline and the members of each of the foregoing which may result in such Funds' expenses being higher than the expenses of other similarly situated funds which utilize management fees to pay such expenses. Because Baseline may not maintain a significant equity interest in the Funds and is entitled to receive substantial minimum compensation and reimbursement of expenses regardless of performance, Baseline's interests may not be wholly aligned with those of the Funds' members.

Item 9: Disciplinary Information

This item requires Baseline to disclose any legal or disciplinary events material to a client's or prospective client's evaluation of our business or the integrity of our management. Currently, there are no legal or disciplinary events material to a client's or prospective client's evaluation of our business or the integrity of our management to disclose in this Item.

Item 10: Other Financial Industry Activities and Affiliations

Baseline is an SEC-registered investment adviser. While no management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, an internal wholesaler of Baseline, also employed to a material extent in an administrative capacity, is a registered representative of Great Point Capital LLC, CRD#: 114203/SEC#: 8-53402, a registered broker dealer otherwise unaffiliated with Baseline. Other than as disclosed in the immediately preceding sentence, neither Baseline nor any of its officers, managers or employees is registered, or has a current application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO") or commodity trading advisor ("CTA"). In addition, neither Baseline nor any of its officers, managers or employees is an associated person of an FCM or a CPO or CTA.

Baseline Manager, LLC, a Delaware limited liability company and Baseline's affiliate ("Baseline Manager"), is the manager of the Funds. The management team of Baseline is also the management team of Baseline Manager.

In addition, Baseline will cause the Funds to acquire loans originated by BP Lending, LLC, an affiliate of Baseline (the "Affiliated Originator"), as Baseline believes such origination services will facilitate meeting the Funds' investment objectives contemplated by the Private Placement Memorandum and will be provided on arm's-length terms. By virtue of investing in the Funds, the investors would be deemed to agree to the Funds' relying on an Affiliated Originator to acquire their loans. In particular, it is expected that the Funds will participate with the Affiliated Originator on a 50/50 basis in the fees that the Affiliated Originator will receive from the borrowers. Baseline, including on behalf of the Funds, may also extend various financial accommodations to certain originators (potentially including Affiliated Originators) in order to enable them to make loans for the Funds to acquire. Examples of such financial accommodations are: (i) "warehousing" loans for an originator which the originator does not otherwise have the currently available financial resource to fund, and/or (ii) "table funding" loans (providing an originator with the monies needed to fund loans while taking an immediate assignment of such loans from the originator as of the closing of such loans). Collecting debt service on, settling, modifying, selling and/or foreclosing

on loans is typically referred to as “Servicing.” The Fund’s loans will be serviced by independent third parties loan servicers.

There are conflict of interest associated with the Funds using the services of an Affiliated Originator. Even if Baseline believes that the compensation of the Affiliated Originator will be determined on an arm’s-length basis, such calculation would involve certain subjective judgments and will, therefore, give rise to a conflicts of interests. In addition, the affiliation between Baseline that provides investment advice to the Funds and the Affiliated Originator that provides origination services to the Funds affects Baseline’s judgment with respect to the retention of the Affiliated Originator and the continuation, renewal or enforcement of provisions of any agreements involving Baseline and the Affiliated Originator or their affiliates and may, therefore, negatively affect the Funds. Further, as an operating company, Baseline anticipates that an Affiliated Originator may engage in origination not only of the loans in the Funds’ portfolio but, in time, they may also provide originations as a third-party originator to other participants in the loan markets. As a result, at such time, Baseline will also have a conflict of interest in persisting in these activities on behalf of other Baseline clients despite the risk (without any potential benefit to Baseline’s clients, including the Funds) which they pose to Baseline and, indirectly, to the Funds. Lastly, origination activities involve incremental risks which could adversely affect Baseline itself.

As described above, Baseline Manager will receive management fees in connection with the management and operation of the Funds. Any of Baseline or Baseline’s affiliates may act as investment adviser, investment manager, or loan originator for others, may manage funds, separate accounts or capital for others and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar to or different from those of the Funds (and in the event of different investment objectives, may receive allocations of investments, including new issue investments that are similar to or different from those received by the Funds) and the performance of such entities and accounts may diverge from that of the Funds. In addition, such entities and accounts may have negotiated different engagement (including management fee, incentive allocation, and liquidity) terms with Baseline or its affiliates and may have access to additional information as relating to Baseline’s investment strategies, which could affect their performance.

Baseline does not have any other business relationship with an investment adviser that would create a material conflict of interest with respect to Baseline’s management of the Funds. Other than otherwise disclosed herein, to Baseline’s knowledge, neither Baseline nor its officers, managers or employees has a relationship or arrangement with any related person that would create a material conflict of interest with its clients.

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

Baseline has adopted a Code of Ethics (“Code”) that describes standards of conduct expected of Baseline personnel. The Code sets forth standards of conduct, expected of Baseline’s personnel, reflecting the fiduciary obligations of Baseline and its personnel to the Funds, and requires Baseline’s personnel to comply with applicable federal securities laws. Among other things, the Code requires Baseline’s personnel to report any violation(s) of the Code or any violation(s) of federal securities laws. Baseline’s personnel may trade securities of individual

issuers in their personal accounts but will generally not engage in the purchase or sale of financial instruments that is held by the Funds. Baseline's principals and employees must instruct any brokerage firm(s) holding their personal accounts to provide duplicate monthly or quarterly customer account statements directly to Baseline's Chief Compliance Officer. Each employee must certify that he or she has complied with the Code. Baseline keeps records of reports and other information that access persons are required to provide under the Code.

The Code states that Baseline personnel owe a duty of loyalty to Baseline and its clients that requires Baseline personnel to act in the best interests of its investors. In addition, Baseline personnel must avoid actions or activities that allow (or appear to allow) them or their family members to profit or benefit from their relationship with Baseline or its investors. The Code also contains policies involving the safeguarding of proprietary and non-public information along with restrictions on the use of insider information, or use of non-public information, regarding an investor.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Debbie Burris, Baseline's Chief Compliance Officer (the "CCO"), at (602) 558-9834 or dburris@baseline-partners.com.

As a general policy, Baseline does not effect principal transactions for client accounts. Baseline itself does not hold securities, nor is it affiliated with a broker-dealer, thus has never done a principal transaction of this sort.

A principal transaction (or a cross trade) may also be deemed to have occurred if a security is crossed between two funds or an affiliated private fund and another client account. Baseline may arrange these sorts of transactions when it needs to rebalance the portfolios of the Funds to adjust the relative size of holdings. Baseline may generally rebalance following capital contributions or withdrawals that cause the weight of a holding (as a percent of equity), to differ more than a negligible amount from its target or for other reasons. Each such transaction will be consistent with the investment objectives and policies of each of Baseline's clients and will be transacted with respect to the applicable market price or another fair consideration.

Item 12: Brokerage Practices

Although it does utilize originators and servicers to service Funds' loans, Baseline does not utilize, select or recommend broker dealers for Funds' transactions. Originators (including the Affiliated Originator) generally serve as asset counterparties and servicers generally act as the Fund's third party vendors. See Item 10 above for additional disclosures relating to Affiliated Originator. Baseline does not receive research or other products from originators and services;

however Baseline considers the following factors in selecting or recommending services and originators for the Funds' transactions and determining the reasonableness of their compensation.

Servicers

- o History of successful servicing history
- o Technology platform (reporting, dashboards, etc)
- o Legal, operational and transactional flexibility (as some servicers are very difficult to work with).

Originators

- o Credit history, market expertise and principal/ownership character
- o Book size, geographical exposure, and prospects for future originations
- o Legal, operational and transactional flexibility (similarly, some originators are difficult to work with).

Baseline does not consider, in selecting or recommending services and originators, any client referrals it may receive from any services and originators.

Item 13: Review of Accounts

Baseline's management will regularly monitor the performance of the Funds' loans as well as the related servicing. If a borrower misses a payment in a given month, Baseline will notify the borrower and escalate collection efforts through a servicer, unless Baseline determines that a different strategy would be more effective in rehabilitating the loan.

In addition, Baseline provides the following written reports to investors in the Funds:

- At least quarterly, reports with unaudited financial statements and a letter from Baseline.
- Annually, financial statements of the Funds, audited by the Fund's auditor , and Schedule K-1s.

Item 14: Client Referrals and Other Compensation

No economic benefit, such as sales awards or other prizes, is currently being provided to Baseline or its affiliates by anyone who is not a client for providing investment advice or other advisory services to Baseline's clients. Similarly, neither Baseline nor its related persons currently directly or indirectly compensate any person who is not a Baseline's supervised person for client referrals. In the future, subject to applicable law, Baseline could engage placement agents. Fees paid to such placement agents are not expected to exceed 1.0% of the subscription amount contributed by investors to the Funds. Such fees may also be borne by Baseline instead.

Item 15: Custody

Because Baseline is authorized to approve the payment of fees and other compensation by the Funds (calculated by the Fund administrator) to itself and its affiliate, and similarly approves the Funds' payments for third party services (such as audit and legal expenses), Baseline may be deemed to have custody of the Funds' assets. In addition, Baseline Manager, Baseline's affiliate and the manager of Baseline CRE and Baseline Opportunity, is deemed to have the custody of each such Fund's assets under the Advisers Act. Baseline Manager complies with Rule 206(4)-2 under the Adviser Act ("Custody Rule") by providing investors in such Funds with audited financial statements within 120 days of each Fund's fiscal year end in compliance with Rule 206(4)-2(b)(4) thereof.

Item 16: Investment Discretion

Baseline has discretionary authority over the investment activities of the Funds. Baseline receives discretionary authority from investors at the outset of an advisory relationship to select the identity and amount of financial instruments to be bought or sold. This discretionary authority is granted to Baseline pursuant to the Limited Liability Company Agreement and the Subscription Agreement of each Fund. Notwithstanding its broad discretionary powers, Baseline invests the assets of the Funds in accordance with the investment policies and objectives, as they may change from time to time, as described in the Private Placement Memorandum of each Fund.

Item 17: Voting Client Securities

While Funds are not expected to invest any material portion of their assets in securities enabling the Funds to exercise proxy voting authority over such securities in a traditional sense, Baseline does invest in financial instruments, including loans, that give Baseline certain voting authority over Funds' investments. Accordingly, Baseline has adopted a proxy voting policy pursuant to Rule 206(4)-6 under the Advisers Act. The policy reflects the fact that Baseline is a fiduciary to the Funds and, accordingly votes where applicable in a manner consistent with the best interests of each Fund and its investors. As such, Baseline exercises voting authority with respect to its clients' assets in accordance with the requirements of Rule 206(4)-6 under the Advisers Act. Baseline reviews each situation on a case-by-case basis in order to determine that any action taken is in the financial interest of Baseline's clients. Baseline does not retain the services of a proxy advisory firm.

Clients may obtain a copy of Baseline's proxy voting policies and procedures upon request by contacting Debbie Burris, Baseline's Chief Compliance Officer (the "CCO"), at (602) 558-9834 or dburris@baseline-partners.com.

Item 18: Financial Information

This item requires disclosure of any financial condition that is reasonably likely to impair Baseline's ability to meet contractual commitments to clients. Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.