



LUCRUM

CAPITAL ADVISORS

Lucrum Capital Advisors, Inc.
General Disclosures
December 1st, 2023

Overview of The General Disclosures Document

The purpose of this document is to provide clients and customers of Lucrum Capital Advisors (“the Firm” or “Lucrum”) written disclosures of the general nature of engagement with the Firm and its affiliates. This document is considered a separate document from Form CRS, which is a required disclosure document under Regulation Best Interest to be distributed to clients. Other disclosure documents may be separately provided that delve further into specific material information regarding a particular offering or engagement. The topics covered under these General Disclosures are 1) Affiliate Companies (Conflicts of Interest and Compensation), 2) Investment Risks, 3) Private Alternative Investments Risk, 4) Conflicts of Interest, 5) Advisory Fees/Compensation, 6) Research and Sources of Information, 7) Privacy and Data Protection, 8) Valuation Practices, 9) Service Limitation, 10) Scope of Advisory Services, and 11) Due Diligence Process.

Should you or any interested third party have any further questions or concerns regarding these or other related disclosures, please email Edrees Feda at efeda@lucrumcapitaladvisors.com or call 703-206-8116.

Affiliate Companies Disclosures

Lucrum Capital Advisors (LCA), as a vital member of the Lucrum Companies group, operates in conjunction with its affiliate companies. This disclosure aims to provide clarity on our relationships with these affiliates and how they influence our business operations.

1. Overview of Affiliates

LCA is affiliated with several entities within the Lucrum Companies group, including but not limited to Lucrum Capital, Lucrum Realty, and Lucrum Capital Securities. These affiliations provide us with a broad network, diversified expertise, and enhanced capabilities in the alternative investment market.

Lucrum Capital Advisors (LCA), as an integral part of the Lucrum Companies group, maintains strategic and operational relationships with its affiliates, including Lucrum Capital, Lucrum Capital Securities, and Lucrum Realty. These relationships are briefly outlined as follows:

Relationship with Lucrum Capital:

- **Investment Strategy Collaboration:** LCA collaborates with Lucrum Capital in developing and implementing investment strategies, particularly those involving alternative investments and real estate private equity. This collaboration often involves sharing market insights and investment research.
- **Client Referrals:** There is a reciprocal referral arrangement where LCA may refer clients to Lucrum Capital for specialized investment management services, and vice versa, especially for clients seeking exposure to quantitative and event-driven investment strategies.

Relationship with Lucrum Capital Securities (LCS):

- **Private Placement Coordination:** LCA works in conjunction with LCS in areas related to private placement offerings. LCS's expertise in private real estate and other real asset investments complements LCA's advisory services.
- **Shared Market Intelligence:** LCA and LCS often share market intelligence and industry trends, benefiting from each other's specialized knowledge in investment banking and advisory services.

Relationship with Lucrum Realty:

- **Real Estate Investment Advisory:** Given Lucrum Realty's focus on real estate brokerage and capital advisory, LCA collaborates with Lucrum Realty to provide clients with comprehensive real estate investment solutions. This includes insights into market trends, property valuations, and investment opportunities.
- **Service Integration:** LCA leverages Lucrum Realty's expertise in residential and commercial real estate to enhance its advisory services, particularly for clients interested in diversifying their portfolios with real estate assets.

Management of Affiliate Relationships

In managing these relationships, LCA ensures:

- Alignment with Client Interests: All interactions and collaborations with affiliates are conducted with a commitment to aligning with and advancing the interests and objectives of our clients.
- Transparency and Disclosure: We maintain transparency in our dealings with affiliates, clearly disclosing the nature of these relationships to clients and how they might impact the advisory services provided.
- Regulatory Compliance: Our affiliate interactions are structured to comply with all applicable regulatory standards, safeguarding client interests and upholding industry best practices.

2. Nature of Affiliate Relationships

Our relationships with these affiliates can take various forms, including but not limited to:

- Shared Resources and Services: LCA may share certain operational resources and services with its affiliates, such as technology platforms, administrative support, and market intelligence.
- Collaborative Ventures: LCA and its affiliates may collaborate on investment ventures, leveraging combined expertise and resources to enhance investment offerings and client services.
- Client Referral Arrangements: LCA and its affiliates may engage in client referral arrangements, where clients of one entity might be referred to another within the group for specific services that better suit their needs.

3. Management of Affiliate Relationships

We are dedicated to managing these affiliate relationships responsibly, ensuring that:

- Client Interests Are Prioritized: All decisions and actions involving affiliates are made with the best interests of our clients in mind.
- Transparent Disclosure: We provide clear and transparent disclosure to our clients about our affiliate relationships and how they might impact the services we offer.
- Conflict of Interest Management: Potential conflicts of interest arising from our affiliate relationships are identified, managed, and disclosed in accordance with regulatory standards and best practices.

4. Regulatory Compliance

LCA ensures that all interactions and engagements with affiliate companies comply with relevant regulatory requirements. We adhere to strict standards of professional conduct and ethical business practices in all affiliate-related activities.

Currently, LCA is a state registered investment advisor in the Commonwealth of Virginia. As the firm potentially expands and registers in other jurisdictions, our disclosures will be updated periodically to reflect additional regulatory compliance requirements.

Potential Affiliates Conflicts of Interest Disclosure

Lucrum Capital Advisors (LCA), as a subsidiary of Lucrum Companies, engages in various business activities that may involve its affiliate companies. This section outlines our approach to identifying, disclosing, and managing potential conflicts of interest that may arise from these affiliations.

1. Identifying Potential Conflicts

Conflicts of interest may arise when LCA's business activities or those of its employees align more closely with the interests of an affiliate company rather than with the interests of our clients. These conflicts can occur in situations such as:

- Shared Business Opportunities: LCA and its affiliates may jointly pursue business opportunities that may be in the best interest of servicing the clients, but this may be perceived as a conflict given multiple entities potentially being involved in any given client relationship.
- Client Referral Arrangements: Clients are referred between LCA and affiliates, potentially impacting impartiality.
- Resource and Information Sharing: The sharing of resources and information between LCA and affiliates might influence decision-making for clients when being serviced by LCA representatives.

2. Disclosure of Conflicts

Transparency is key in managing potential conflicts of interest. LCA commits to:

- Timely Disclosure: We promptly inform clients of any conflicts of interest that might affect our advisory services. Our commitment is to disclose all material information and conflicts upfront to a client, prior to engaging with the client on any contractual basis.
- Detailed Information: We provide specific details about the nature of the conflict and how it might impact the client. Furthermore, we commit to answering any and all questions that a client may have about specifics of these relationships.

- Prompt Updating: LCA and its affiliates commit to regular, periodic reviews of its disclosure documents to ensure any new, material changes or additions needed are promptly implemented and communicated to new and existing clients and customers.

3. Managing and Mitigating Conflicts

LCA adopts various measures to manage and mitigate conflicts of interest, including:

- Internal Policies and Procedures: We establish robust internal guidelines to identify and address conflicts of interest, which includes both formal procedures manuals as well as informal, cultural training to disclose conflicts information.
- Segregation of Duties: Where feasible, we segregate duties between LCA and affiliate companies to minimize conflicts, especially when it comes to client-facing work such as investment recommendations, client asset and portfolio analysis, and investor communications.
- Regular Reviews: We conduct periodic reviews of decisions and activities that involve affiliate interactions to ensure that conflicts are being managed optimally for our clients' interests.

4. Prioritizing Client Interests

Our foremost commitment is to the interests of our clients. In managing conflicts of interest, LCA ensures that:

- Client Interests Come First: LCA decisions and advice are always made with the primary goal of benefiting our clients. As an investment advisor, we owe full fiduciary responsibilities as per legal requirements.
- Avoidance of Preferential Treatment: We avoid any actions that preferentially benefit an affiliate at the expense of a client.
- Fair Client-by-Client Treatment: All clients are owed full fiduciary responsibility by LCA representatives and are serviced according to their specific needs, regardless of fees being charged or extent of client relationship.
 - For example, no client will be treated more unfairly than another client (such as delayed reporting or lack of disclosures) simply because one client pays LCA or any of its affiliates more than the other client.
- Avoidance of Affiliate Referrals Preferential Treatment: Regardless of the affiliate that refers a client to LCA, LCA will not prioritize any new or existing client relationships solely on the basis of said client's relationship status with LCA's affiliates.
 - For example, simply because a new LCA client is a long time client of Lucrum Realty does not grant or entitle that client to preferential treatment over a relatively new client for Lucrum Realty or any other affiliate.

5. Ongoing Monitoring

LCA continuously monitors for potential conflicts of interest with affiliates, adapting our policies and practices as necessary to address evolving business dynamics and to maintain the highest standards of integrity and client service.

Affiliate Compensation Disclosure

At Lucrum Capital Advisors (LCA), part of our business involves interactions with affiliate companies within the Lucrum Companies group. This disclosure addresses the compensation structures that exist between LCA and its affiliates, and how they are managed.

1. Nature of Affiliate Compensation

LCA may engage in financial arrangements with its affiliates, which can include:

- Shared Revenue or Profit Agreements: Arrangements where LCA and an affiliate may share revenues or profits from joint business ventures or collaborative projects.
- Service-Based Compensation: Fees paid for specific services rendered by an affiliate to LCA or vice versa.
- Discount, Free, or Bundle Servicing Programs: LCA and its affiliates may provide certain services at a discount or even without compensation to be included in a bundled service package for a client or be offered separately with separate agreements.
 - For example, LCA may offer a discounted asset analysis to Lucrum Capital Securities clients that are conducting a private placement offering of a real estate project.

2. Compliance with Regulatory Standards

All compensation arrangements between LCA and its affiliates are structured to comply with relevant regulatory standards. This ensures that our practices are fair, transparent, and aligned with the best interests of our clients. We are committed to:

- Adhering to Industry Norms: Ensuring compensation arrangements are in line with industry norms and standards.
- Regulatory Compliance: Aligning our compensation structures with the requirements of regulatory bodies such as the SEC and FINRA.

3. Transparency in Compensation Arrangements

Transparency is a cornerstone of our approach to affiliate compensation. LCA is committed to:

- Clear Disclosure: Providing clear information to clients about the nature and terms of any compensation arrangements with affiliates.

- Client Understanding: Ensuring clients understand how these arrangements might impact the services they receive.

4. Management of Potential Conflicts

Compensation arrangements with affiliates could give rise to conflicts of interest. LCA actively manages these situations by:

- Identifying Potential Conflicts: Rigorously assessing where compensation arrangements might lead to a conflict of interest.
- Mitigating Conflicts: Implementing measures to mitigate any identified conflicts to ensure they do not adversely affect our client services.

5. Client Interests as a Priority

In all affiliate compensation arrangements, the interests of our clients are paramount. Decisions regarding referrals to affiliates or shared ventures are made with the primary goal of serving the client's best interests, not the compensation potential.

Affiliates, Non-Affiliates, and Material Relationships Summary

Additionally, here is the following detailed description of relationships of LCA with affiliate and non-affiliate entities:

Relationship with Feda Enterprises and Lucrum Companies

Lucrum Companies is a holding company that directly owns 100% of Lucrum Capital Advisors. Feda Enterprises is a holding company, owned 100% by Edrees Feda, that, in turn, owns 100% of Lucrum Companies. Essentially, these firms are ultimately owned and controlled by Edrees Feda, who is the owner and CEO of the Firm. There are no known actual conflicts of interest with these firms, as they are simply holding companies for Mr. Feda to organize his ownership of his portfolio of companies.

However, it may be perceived that Lucrum Companies, as distincted by its separate website of www.lucrumcompanies.com is an entirely separate operation from its subsidiaries. This is not the case. Lucrum Companies is, again, a holding company that does not have separate business lines or operations outside of subsidiaries activities. Lucrum Companies is primarily held for asset ownership of equity, intellectual property (e.g. invention or trademark assignments), and other assets such as tools, equipment, cash, etc. that can be deployed or used by subsidiary entities.

Relationship with Lucrum Capital

Lucrum Capital is a private alternative investment management firm that focuses on investing in real estate and real estate related securities. As an affiliate private investment company, there can be the perception of self-dealing on investment opportunities LCA and its affiliates may be marketing/selling and/or advising to investors.

While Lucrum Capital retains the full right to invest, participate, and/or manage an investment opportunity that LCA may recommend to its clients, both the LCA and Lucrum Capital must separately disclose in writing to all relevant counterparties, including investors and clients, specific, detailed information related to compensation, fees, and all material aspects of an arrangement that could be perceived as a conflict of interest prior to any execution of a transaction.

Lucrum Capital, if actively participating in an investment opportunity in any material way or acting as a counterparty or relevant third party, will only do so in a manner that the Firm maintains full compliance to Regulation BI, suitability, and fiduciary standards to its clients.

Should any clients of the Firm be interested in investing in or with and/or doing business of any kind with Lucrum Capital, Lucrum Capital is required to provide its relevant company-level information by distributing its corporate deck and/or other supplementary materials, if requested by the client.

Relationship with Lucrum Capital Securities

Lucrum Capital Securities (“LCS”) is a real asset investment bank, licensed as a private placements broker-dealer registered with FINRA and the SEC. Since Lucrum Capital Securities is an affiliate broker-dealer with Lucrum Capital Advisors, there are potential conflicts of interest in cross-selling private placement services of LCS to investment advisory clients of LCA.

Should the Firm, LCS, or the client see a suitability in a client’s needs that are directly or indirectly related to a transaction of the Firm, both LCS and the Firm are to separately disclose in writing to clients prior to any execution of related contracts or transactions of all related fees and costs of arrangements will be separately disclosed. For example, if a client retains Lucrum Capital Securities to provide private placements services, such fee amounts are to be disclosed in the underwriting or private placement representation agreement between LCS and the client. Such fees and commissions are negotiable.

Lucrum Capital Securities’ fee arrangements are available for review upon receipt of the Form CRS, which is also available online by visiting the firm’s website [here](#). Additionally, all compensation and other material information must be separately disclosed or clearly disclosed in PPM or related private placement sales literature to measure the impact of any fees on the nature of the investment as well as the influence of any services LCA has provided to the execution risk of the offering.

If Lucrum Capital Securities provides such services in unaffiliated transactions for an offering or if there is considered to be a separate working relationship between the LCS and the client who is the counterparty to an active transaction, the existence of that relationship and the nature of it must be disclosed to all interested counterparties to the active transaction.

Relationship with Lucrum Realty

Lucrum Realty is a real estate brokerage firm licensed in sixteen jurisdictions across the United States: Virginia, Maryland, District of Columbia, Illinois, Florida, California, New York, Colorado, Georgia, North Carolina, Tennessee, Pennsylvania, Massachusetts, Texas, Nevada, and Washington. Since the Firm will be engaging in alternative asset investment advisory, specifically concentrating on real estate related assets, there will be opportunities to cross-sell clients of the Firm with real estate brokerage services. These services can range in providing asset/site identification, transaction management, investment sales, and real estate asset management services. Lucrum Realty may be compensated in the form of commissions and fees only for bona fide real estate work for which a real estate license is needed to conduct the activity.

All related fees and costs of arrangements will be separately disclosed in writing to clients prior to any execution of related contracts or transactions. For example, if a client retains Lucrum Realty to provide brokerage services, such fees and commissions amounts are to be fully disclosed in the written brokerage representation agreement between Lucrum Realty and the client. Such fees and commissions are negotiable.

If Lucrum Realty provides such services in unaffiliated transactions for an offering or if there is considered to be a separate working relationship between Lucrum Realty and the client who is the counterparty to an active transaction, the existence of that relationship and the nature of it must be disclosed to all interested counterparties to the active transaction.

Relationship with Orbis Realty

Please Note: Orbis Realty is the original real estate brokerage Edrees Feda owned and operated prior to the founding of Lucrum Realty. His intention is to wind down the firm over time and provide limited residential real estate services in only the following jurisdiction: Virginia, Maryland, and Florida. All material operational assets of Orbis Realty will be transferred to Lucrum Realty.

Orbis Realty is a real estate brokerage firm licensed in sixteen jurisdictions across the United States: Virginia, Maryland, District of Columbia, Illinois, Florida, California, New York, Colorado, Georgia, North Carolina, Tennessee, Pennsylvania, Massachusetts, Texas, Nevada, and Washington. Since the Firm will be engaging in underwriting and sales for real estate private

placement securities, there will be opportunities to cross-sell clients of the Firm with real estate brokerage services. These services can range in providing asset/site identification, transaction management, investment sales, and real estate asset management services. Orbis Realty may be compensated in the form of commissions and fees only for bona fide real estate work for which a real estate license is needed to conduct the activity.

All related fees and costs of arrangements will be separately disclosed in writing to clients prior to any execution of related contracts or transactions. For example, if a client retains Orbis Realty to provide brokerage services, such fees and commissions amounts are to be fully disclosed in the written brokerage representation agreement between Orbis Realty and the client. Such fees and commissions are negotiable.

If Orbis Realty provides such services on an active offering underwritten by the Firm, all compensation and other material information must separately disclosed or clearly disclosed in the PPM or related private placement sales literature to measure the impact of any fees on the nature of the investment as well as the influence of any services Orbis has provided to the execution risk of the offering.

If Orbis Realty provides such services in unaffiliated transactions for an offering or if there is considered to be a separate working relationship between the Orbis and the client who is the counterparty to an active transaction, the existence of that relationship and the nature of it must be disclosed to all interested counterparties to the active transaction.

Relationship with Feda Investments

Feda Investments doesn't provide any services or produce any goods. It is simply a holding company for the personal future investments of Edrees Feda and his immediate family. There is potential at some point in the future for Feda Investments to participate in offerings of the Firm, in which a full written disclosure will be made by both firms to investors prior to any sale of private placement securities. Such commencement of investment activity will warrant an amendment of these general disclosures.

Relationship with Other Outside Business Activities and Previous Employers

As Mr. Feda may, at his own discretion and in compliance with maintaining fiduciary and suitability standards for his clients of the Firm and affiliates, undertake employment via independent contractor opportunities to generate additional income to support the Firm. For example, Mr. Feda was previously employed by M.C. Dean as a Senior Financial Analyst, which entails him overseeing the company's corporate development activities, corporate real estate portfolio, and investment activity of the owners of the firm. In addition, Mr. Feda has been employed at other firms such as Crowdstreet and PPR Capital Management.

Should there be any instance in which M.C. Dean, Crowdstreet, and/or PPR or any of their affiliates or commonly controlled entities are a counterparty to an active transaction, such disclosure of the nature of ex-employment and current relationship with Mr. Fedas must be given in writing to all relevant counterparties prior to execution of any transaction. The same procedure applies for any other future employment Mr. Fedas may take in the future.

Dual or Multiple Advisory Representation between Counterparties

LCA, depending on the nature of the engagement or transaction, may act as a dual or multiple advisor representative in an active transaction, where the Firm may be representing both the Owner of an asset as well as the Investor it may advise to purchase the asset. Under any such engagement, the Firm shall provide any relevant disclosure that isn't already described in its Form CRS and must obtain prior written consent from all relevant counterparties to move forward on the transaction.

All fiduciary responsibilities are still owed fully and equally under such an arrangement. All counterparties must acknowledge the inherent risk and conflicts of interest when LCA is engaging in such a transaction.

Real Estate Investment Risk Disclosure Statement

Investment opportunities available through Lucrum Capital Advisors are speculative and involve substantial risk. Investors should not invest unless they can sustain the risk of loss of capital, including the risk of total loss of capital. Direct and indirect purchase of real property and commercial real estate involves significant risk, including, market risks, risks related to the sale of land, risks specific to a given property, principal risk and liquidity risk. All investors must make their own determination of whether or not to make an investment, based on their own independent evaluation of the investment and their risk tolerance. Investments should be chosen based on your objectives, timeframe, and risk tolerance. Investors should consult with a financial advisor, attorney, accountant, and any other professional that can help in understanding and assessing the risks associated with any investment opportunity and deciding if an investment is appropriate. Private placements are illiquid investments and are intended for investors who do not need a liquid investment.

Below is a summary of certain risks that apply to LCA's website and services. The occurrence of any of these or other risks could result in losses and damages to you. This is not an exhaustive list of all of the risks that could impact you.

In connection with any investment you may consider and purchase, it is important to read, review and understand all related information, all the features, risks, benefits, terms and conditions, as well as the other factors associated with the product or service, before making any financial decisions. In particular, it is your responsibility to read thoroughly the specific

product materials including prospectuses and offering materials. All investments involve some degree of risk, and the outcome of any investment is uncertain.

1. General Real Estate Risks. Investments will be subject to the risks inherent in the ownership of real estate assets. These risks include, but are not limited to:

- 1.1. General and local economic conditions and negative developments in the business economy, the supply and demand for properties, and the financial resources of tenants;
- 1.2. Changes in building, environmental, zoning, and other laws;
- 1.3. Changes in real property tax rates;
- 1.4. Changes in interest rates and the availability of mortgage funds, which may render the purchase, sale, or refinancing of properties difficult or impracticable;
- 1.5. Environmental cleanup costs and other liabilities from hazardous waste, mold, or indoor air pollution;
- 1.6. Uninsured casualties, acts of God (such as earthquakes, tsunamis, hurricanes, wind storms, floods), epidemics, war, terrorism, nuclear accidents, labor disputes, riots, and other factors that are beyond the control of real estate issuers, operators and sponsors (collectively, "Sponsors");
- 1.7. Property damage and business interruptions that may not be insurable, or may not be insurable at reasonable cost to the full extent needed to protect the real estate or its revenue-generating capacity;
- 1.8. Development, redevelopment, and construction delays and cost overruns.

2. Unsuccessful Real Estate Investments May Result in Poor Returns. Real estate investments entail risks such as, without limitation, the risk of not correctly anticipating conditions or trends in the real estate market or miscalculating a Sponsor's ability to adequately complete a project, and therefore not being able to generate profit from the real estate investments.

3. Real Estate Valuation Is Inherently Inexact. Real estate valuation is an inherently inexact process and depends on numerous factors, all of which are subject to change. The property valuation models and methods may be deficient and may increase the risk of Default.

4. Returns and Loss Rates on Underlying Investments May Be Uncertain. Private real estate investment projects ("CRE Projects") generally do not have significant historical performance data available about returns or the rates of loss and, even if an abundance of data was available, historical returns are not necessarily an accurate indicator or predictor of future performance. CRE Projects may lose value at a faster rate than anticipated. No one can predict with certainty what the long-term rates of return or loss will be on any of the CRE Projects, which could increase or decrease as a result of factors beyond the Sponsors' control and beyond the control of any lender, borrower or other person involved in the performance of an CRE Project, including prevailing interest rates, the rate of unemployment, the level of consumer confidence, decline in property values, degradation of specific properties, the value of

the U.S. dollar, energy prices, changes in consumer spending or sentiment, the number of personal bankruptcies, disruptions in the credit markets and other factors.

5. Investment Diversification. Investment professionals generally agree that diversification of an investor's investment portfolio is an important component of reaching long-range financial goals while minimizing risk. Investments in real estate can help diversify a portfolio of investments in other types of assets. However, a concentrated investment strategy solely in real estate would increase an investor's risk and is not recommended.

6. Risk of Loss. All investing and trading activities risk the loss of capital, including the total loss of investment. There can be no assurance that any investment activity will be successful, or that investors will not suffer significant losses. No guarantee or representation is made, and investments through Lucrum Capital Securities are suitable only for investors of adequate financial means. If an investor cannot afford to lose the entire amount of such investor's investment, the investor should not invest in private CRE Projects.

7. Real Estate Investments are Risky. Investments through Lucrum Capital Advisors are subject to risks generally attributable to the ownership of real estate investments. These include changes in global, national, regional or local economic, demographic or capital market conditions; current and future adverse national real estate trends, including increasing vacancy rates, which may negatively impact resale value, declining rental rates and general deterioration of market conditions; changes in supply of or demand for properties in a given market or metropolitan area that result in changes in market rental rates or occupancy levels; increased competition for real property assets; bankruptcies, financial difficulties or lease defaults by borrowers and/or tenants; changes in interest rates and availability of financing; potential misconduct by third-parties, including, but not limited to, borrowers, tenants, lenders, vendors, and service providers; and changes in government rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws. Many of these factors are beyond the Sponsors' control. Any changes in these factors may adversely affect the returns on an investment.

8. General Economic and Market Conditions. The success of investment activities will be affected by general economic risks such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws. These factors may affect the level and volatility of asset prices and the liquidity of investment assets. Volatility or lack of liquidity could impair an investment's profitability or result in losses.

9. Various Tax Risks. Many of the CRE Projects are organized as partnerships or limited liability companies. These entities can have complex tax provisions relating to the treatment of income, gain, losses, and other allocations, as well as the need to avoid publicly-traded partnership status. Also, the positions taken by a Sponsor could be subject to challenge by the Internal Revenue Service. To the extent an investor is either a tax-exempt or a foreign investor, additional special tax considerations may apply such as the need or desire to minimize unrelated business taxable income ("UBTI"), to make withholding for taxes due under the

Foreign Investments in Real Property Tax Act (“FIRPTA”), and to comply with the reporting and withholding obligations imposed by the Foreign Account Tax Compliance Act (“FATCA”). These tax considerations are in addition to transfer tax and federal, state, and local income tax considerations, and all tax regulations are subject to change. At a minimum, investors should be prepared to include K-1 statements and certain required filings in other states as part of their tax preparation process. Only investors who are prepared and able to deal with the tax implications of private placements should invest. Clients are strongly encouraged to consult with their tax advisors regarding their investments.

10. No Assurance of Investment Return. There is no assurance that any investor will be able to invest their capital on attractive terms or continue to generate positive returns or avoid losses over the long term.

11. Illiquid and Long-Term Investments. Although investments in CRE Projects may generate current income, the return of capital and the realization of gains to investors, if any, from an investment will generally occur only upon the partial or complete disposition or refinancing of such investment. Further, investment Sponsors determine solely and completely when and if a disposition or refinancing of a property will occur, subjected to the limitations of the offering documents for each deal. While an investment may be realized at any time, usually at the discretion of the Sponsor, it is not generally expected that this will occur for several years after the investment is made. Dispositions of investments may also be subject to contractual limitations on transfer, the desire to minimize or delay transfer or taxes, or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof. As a result, there is a significant risk that an investor may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy.

12. Transfer Restrictions and Fees. Investors wishing to transfer their holdings, whether through sale, gift, or otherwise, generally will have to obtain approval of the Sponsor to complete the transaction, and some transactions may be prohibited. The Sponsor may charge fees in connection with such transfer.

13. Passive Investments. Our CRE Projects are passive investment opportunities. As passive investors, investors generally have no control over the day-to-day operations of the assets or investment entity and limited rights to protect themselves if they are dissatisfied with the manner in which the asset is being operated. Passive investors are highly dependent on the management abilities of the Sponsors.

14. Accuracy of Information. Sponsors supply a variety of information regarding the purpose of funding a CRE Project through an offering of CRE interests on the Lucrum Capital Advisors Marketplace, including track records, estimated and actual costs, financial projections, and property titles. While we screen Sponsors and investment opportunities and conduct due

diligence as we endeavor to ensure accurate and complete information, we cannot ensure that the information provided by third parties is complete or accurate.

15. Risk of Default and No Security Interest. If a Sponsor's Project fails or defaults for any reason, the investors may no longer or will not receive any returns on their investment. Investors will not be able to pursue collection against the Sponsor or its affiliates. Equity interests in CRE Projects are not secured, guaranteed, or insured by any collateral, including any of the underlying real estate assets that were bought by the proceeds of the Offering.

16. Business Disruption Due to Pandemics. The success of each investor and their investment strategies could be significantly impacted by changing external economic conditions in the United States and globally. The stability and sustainability of growth in global economies may be impacted by terrorism, acts of war, pandemics or other unforeseen disasters. Changing economic conditions could potentially adversely impact the performance and valuation of portfolio holdings. In addition, the availability, unavailability, or hindered operation of external credit markets, equity markets, and other economic systems which Sponsors may depend upon may have a significant negative impact on real estate operations and profitability. The spread of COVID-19 in 2020 demonstrated how global events can result in broad-based economic decline and significant market volatility. Aside from the broad effects on the economy, a global event like a pandemic may also have specific implications for Lucrum Capital Advisors' operations and activities of its personnel, which can range from employees working remotely to more significant impacts such as illness and restrictions on non-essential travel.

17. Investments May Not Achieve Results Similar to Past Performance. There can be no assurance that returns achieved by Users on Lucrum Capital Advisors will ultimately equal or exceed the level of returns that Users have achieved in the past or that they will achieve the individual or collective performance of previous investment opportunities. Historical performance does not indicate future performance or return.

18. Risk of Limited Number of Investments. Users may participate in a limited number of investments and, consequently, the aggregate return of a Client may be substantially adversely affected by the unfavorable performance of a single or a few portfolio Investments.

19. Securities Act Risk. The offerings of CRE Securities have not been registered under the Securities Act of 1933 (the "Securities Act") or the securities laws of any U.S. state or other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or unless an exemption from registration is available. It is not contemplated that registration of the offer of the CRE Securities under the Securities Act will ever be effected. In addition, because the Sponsors will not register offerings of the CRE Securities under the Securities Act or any similar laws, investors will not receive the benefit of certain protections under the provisions of the Securities Act.

20. Security Risk. Hackers or others may attempt to interfere with, attack, or take over Lucrum Capital Advisors, the Website, your Investing Account, your email, your device, your bank

account, your personal information, or Sponsor systems, emails, or bank accounts and related information through malware attacks, phishing, and many other types of malicious activity. While we utilize measures reasonably designed to protect the Website, your Investing Account, and your personal information, no system is immune to this type of malicious activity. Further, Lucrum Capital Advisors has no control over your email, your device, your bank account, Sponsors' systems and accounts, or those of other third parties.

Private Alternative Investments Risk Disclosure

Additionally, this disclosure briefly outlines the potential risks associated with various private alternative investment products offered by Lucrum Capital Advisors to its accredited and institutional investor clients. Investors should understand these risks before committing capital.

1. Private Placements - Debt and Equity Offerings

- **Liquidity Risk:** Investments in private placements are typically illiquid, making it difficult to sell or liquidate quickly without potentially incurring significant losses.
- **Credit Risk:** Debt offerings may face the risk of default or bankruptcy of the issuer, potentially resulting in partial or total loss of invested capital.
- **Market Volatility:** Equity offerings are subject to market conditions. Economic downturns can significantly affect the value of these investments.
- **Dilution Risk:** Additional equity rounds can dilute the ownership percentage of existing investors.

2. Real Estate Syndications, DPPs, TICs, LP/GP

- **Cash Flow Risks:** The income from such investments can be unpredictable and may vary over time.
- **Management Risks:** The performance of these investments heavily depends on the management team's competency and experience.
- **Regulatory Changes:** Changes in real estate laws or tax policies can impact the profitability of these investments.
- **Market-Specific Risks:** The real estate market is subject to local and macroeconomic factors, which can affect property values.

3. Real Estate Private Credit

- **Interest Rate Risk:** Fluctuating interest rates can impact the cost of borrowing and the value of real estate assets.
- **Collateral Risk:** The value of the collateral (real estate) may not be sufficient to cover the outstanding debt in case of default.
- **Repayment Risk:** Borrower's financial instability or market downturns can affect their ability to repay the loan.

4. ABS, MBS, and Mortgages

- Credit Risk: The risk of default on the underlying mortgages or assets can lead to reduced payments or losses.
- Prepayment Risk: Early repayment of mortgages can affect the expected yield of these securities.
- Interest Rate Fluctuations: Changes in interest rates can impact the valuation of these securities.

5. Other Real Assets (Infrastructure and Commodities)

- Operational Risks: Infrastructure projects are complex and can face delays, cost overruns, or technical challenges.
- Commodity Price Volatility: The value of commodities investments can be highly volatile, influenced by global market trends and political factors.
- Environmental and Regulatory Risks: Changes in environmental policies and regulations can impact the profitability of these investments.

6. Real Estate Derivatives

- Complexity and Leverage Risk: These instruments are complex and often involve leverage, which can amplify losses.
- Market Risk: Subject to real estate market conditions, which can be volatile and unpredictable.
- Counterparty Risk: The risk that the other party in the derivative contract may default on its obligations.

7. Equity and Debt Participation Certificates

- Default Risk: The risk of non-payment by the issuing entity, which can lead to loss of invested capital.
- Interest Rate and Market Risk: Fluctuating market conditions and interest rates can affect the value of these certificates.

8. Relevant Financial Instruments

- Market Risk: Financial instruments like swaps, bonds, and indices are subject to market volatility.
- Credit Risk: The risk associated with the financial stability of the entities or assets underlying these instruments.
- Liquidity Risk: Some of these instruments may lack liquidity, making them difficult to sell or value.

General Considerations

- Diversification: It's crucial to diversify investments across different asset classes to mitigate risks.

- Professional Advice: Investors should consult financial advisors to understand the suitability of these investments in their portfolio.
- Regulatory Changes: Changes in financial regulations can impact the performance and legality of these investment products.

For more information on specific and relevant risks for any of these alternative products for your investment portfolio, please contact your LCA representative to learn more.

Advisory Fee and Compensation Disclosure

Lucrum Capital Advisors (LCA) is committed to maintaining transparency and fairness in our fee structure and compensation practices. This disclosure briefly outlines our approach to fees and compensation for the advisory services we provide.

1. Fee Structure

- Type of Fees: LCA's fee structure may include management fees, performance fees, and/or other types of fees depending on the specific services provided.
- Basis of Fees: Management fees are typically based on a percentage of assets under management (AUM) and are billed according to a predefined schedule. Performance fees, where applicable, are based on the investment performance achieved for the client.

2. Explanation of Fee Calculations

- Clear Breakdown: Clients receive a clear breakdown of how fees are calculated. This includes any sliding scale or tiered fee structures that may apply based on the size of the investment or account.
- Billing Practices: Details on billing practices, including the timing and methods of fee deductions, are provided to clients upfront.

3. Additional Costs and Expenses

- Third-Party Fees: Clients may also incur additional costs related to third-party services, such as custodial fees, transaction fees, and other expenses related to the management of their investments.
- Disclosure of Additional Costs: LCA ensures clients are aware of any such additional costs and their potential impact on investment returns.

4. Compensation from Other Sources

- Disclosures of Additional Compensation: If LCA or its representatives receive any compensation from sources other than client fees, such as commissions or referral fees, this is disclosed to clients.

- Conflict of Interest Management: Any additional compensation is managed in line with our conflict of interest policy to ensure it does not influence the impartiality of our advice.

5. Fee Review and Adjustments

- Regular Review: LCA regularly reviews its fee structure to ensure it remains competitive and aligned with the quality of services provided.
- Notification of Changes: Clients are notified of any changes to the fee structure or compensation practices in advance.
- Please review our Form ADV to see details of our Fee and Compensation arrangements.

6. Client Acknowledgment

- Informed Consent: Clients are required to acknowledge understanding and acceptance of the fee structure as part of our engagement process.
- Ongoing Communication: LCA maintains open communication channels for clients to discuss concerns or queries regarding fees and compensation.

For more detailed information of our Advisory Fees and Compensation, please review our [Form ADV Part 2A, especially Items 5](#).

Research and Sources of Information Disclosure

Lucrum Capital Advisors (LCA) is dedicated to providing investment advisory services based on comprehensive and well-informed research. This disclosure outlines our approach to investment research and the sources of information we rely on.

1. Research Methodology

- Balanced Approach: LCA employs a balanced research methodology that combines fundamental analysis, quantitative analysis, and market insights to inform our investment advisory services.
- Adaptability: Our research approach is dynamic, adapting to changing market conditions and new information to provide up-to-date advice.

2. Sources of Information

- Market Data and Financial News: We utilize a variety of market data sources, financial news outlets, and investment research publications to stay informed about market trends and developments.
- Industry Reports and Analysis: Industry-specific reports, analyses, and publications are used to gain insights into sector-specific trends and opportunities.

- Third-Party Research Services: LCA collaborates with reputable third-party research firms to supplement our in-house research efforts.
- Regulatory Filings and Public Disclosures: For publicly traded companies and regulated investment products, we review regulatory filings and public disclosures to gather essential information.

3. Information Verification

- Cross-Verification of Data: We endeavor to verify the information obtained from various sources to ensure its accuracy and reliability.
- Critical Analysis: Information is subjected to critical analysis by our team of experts to assess its relevance and impact on investment strategies.

4. Limitations of Information

- No Guarantees on Accuracy: While we strive for accuracy, LCA cannot guarantee the validity of all information sourced, acknowledging that some information may be subject to biases or inaccuracies.
- Dynamic and Subjective Nature: The financial market's dynamic nature means information can quickly become outdated; additionally, the interpretation of data can be subjective.

5. Client Education and Participation

- Informing Clients: We believe in educating our clients about our research processes and the sources of our information, enabling them to participate more actively in investment decisions.
- Transparency in Research: LCA is committed to transparency in our research methodologies and findings, providing clients with insights into how investment recommendations are derived.

For more information on our research approach, please reach out to your LCA representative to learn more.

Privacy and Data Protection Disclosure

At Lucrum Capital Advisors (LCA), we recognize the importance of privacy and the secure handling of our clients' personal and financial information. This disclosure briefly outlines our approach to data protection and privacy practices.

1. Collection of Personal and Financial Information

- Purpose of Collection: LCA collects personal and financial information necessary for account setup, investment management, and to comply with regulatory requirements.

This may include identification details, contact information, financial status, and investment objectives.

- Limitation on Collection: We collect only the information that is necessary for the purposes stated and do not gather data indiscriminately.

2. Use of Client Information

- Service Provision: Client information is primarily used to manage investment accounts, provide advisory services, and fulfill our contractual obligations.
- Compliance with Regulations: Information is also used to comply with legal and regulatory requirements, including anti-money laundering checks and tax laws.

3. Data Security Measures

- Protection of Information: LCA employs robust security measures to protect client data from unauthorized access, disclosure, alteration, or destruction. This includes the use of encryption, secure servers, and access controls.
- Regular Security Reviews: We conduct regular reviews and updates of our security measures to address new threats and vulnerabilities.

4. Sharing of Client Information

- Restricted Sharing: Client information is shared only as necessary and in accordance with legal and regulatory requirements. This may include sharing with regulatory authorities, auditors, or other third parties as part of providing our services.
- Third-Party Service Providers: When sharing data with third-party service providers, LCA ensures they adhere to similar standards of data protection.

5. Client Rights and Access

- Access to Information: Clients have the right to access the personal information we hold about them and to request corrections if necessary.
- Opt-out Options: Clients can opt out of certain uses of their information, such as for marketing purposes, subject to regulatory constraints.

6. Privacy Policy and Updates

- Detailed Privacy Policy: Clients are provided with a detailed privacy policy outlining how we collect, use, protect, and share their information.
- Notification of Changes: Any changes to our privacy and data protection practices are communicated to clients in a timely manner.

Please review our separate LCA Privacy Policy document, which can be found on our website at www.lucrumcapitaladvisors.com or given to you by an LCA representative.

Valuation Practices

At Lucrum Capital Advisors (LCA), we acknowledge the complexity involved in valuing alternative assets. This disclosure provides insights into our valuation methodologies, assumptions, and the inherent uncertainties associated with these processes.

1. Valuation Methodologies

- Use of Standardized Methods: LCA employs industry-accepted valuation methodologies to estimate the value of alternative assets. These may include discounted cash flow analysis, comparable company/market analysis, and asset-based valuations.
- Adaptation to Asset Specifics: The choice of valuation methodology is tailored to the specific characteristics of each alternative asset, considering its market, financial performance, and other relevant factors.

2. Assumptions in Valuations

- Basis of Assumptions: Valuations are based on a set of assumptions which may include market growth rates, discount rates, future revenue projections, and economic conditions.
- Transparency in Assumptions: LCA endeavors to clearly communicate the assumptions underpinning our valuations to provide clients with a comprehensive understanding of how valuations are derived.

3. Inherent Uncertainties

- Nature of Alternative Assets: Given the unique characteristics of alternative assets, including illiquidity and market variability, valuations are subject to inherent uncertainties.
- Impact of Market Conditions: Fluctuating market conditions can impact the valuation of alternative assets. We continuously monitor these conditions and adjust our valuations accordingly.

4. Periodic Reviews and Updates

- Ongoing Valuation Reviews: Valuations of alternative assets are not static and are reviewed periodically to reflect current market conditions and any new information that may impact the asset's value.
- Communication of Changes: Clients are informed of any significant changes in valuations and the rationale behind these adjustments.

5. Client Understanding and Consent

- Informed Client Decision-Making: We ensure clients have a clear understanding of valuation methodologies and uncertainties as part of our investment advisory process.

- Client Acknowledgment: Clients are required to acknowledge the methodologies and inherent uncertainties in valuations as part of our engagement process.

6. Compliance with Regulatory Standards

- Regulatory Alignment: All valuation practices are aligned with relevant regulatory standards and guidelines to ensure accuracy and fairness in our valuation processes.

For more detailed information of our Valuation Practices of alternative assets, please review our [Form ADV Part 2A, especially Items 6 and 8](#).

Service Limitations

At Lucrum Capital Advisors (LCA), we specialize in providing advisory services focused on alternative assets. This disclosure is intended to clarify the limitations of our services to ensure our clients have a comprehensive understanding of what we can offer.

1. Specialization in Alternative Assets

- Focused Expertise: Our primary expertise lies in offering advisory services related to alternative asset investments. This includes strategies for asset management and investment acquisitions underwriting within the alternative asset market.
- Limitation to Alternative Assets: Our services are specifically tailored to alternative assets, and we do not extend our advisory to traditional asset classes like standard stocks and bonds.

2. Exclusion of Legal and Tax Advice

- Advisory Nature of Services: While our services include consideration of the broader financial implications of investment decisions, LCA does not provide legal or tax advice as part of our advisory services.
- Recommendation for Professional Counsel: We strongly recommend our clients seek specialized legal and tax advice from licensed professionals. Where necessary, we can facilitate referrals to qualified experts in these fields.

3. Non-Discretionary Advisory Role

- Client-Centric Decision Making: LCA operates primarily on a non-discretionary basis, meaning that all investment decisions ultimately rest with the client. Our role is to provide informed advice and recommendations.
- Client Approval Required: For all investment actions, explicit client consent and approval are required, ensuring that clients maintain control over their investment choices.

4. No Guarantees on Investment Outcomes

- Inherent Market Risks: The nature of investment, especially in alternative assets, involves inherent market risks and uncertainties. LCA does not guarantee specific investment performance or financial outcomes.
- Risk Awareness: We ensure that clients are fully aware and informed of the potential risks and rewards associated with their chosen investment strategies.

5. Compliance with Regulatory Standards

- Regulatory Constraints: Our advisory services are offered within the framework of applicable regulatory requirements, which may impose certain limitations on the scope of our services.
- Adaptation to Regulatory Changes: We continuously monitor changes in regulatory standards to ensure compliance and inform our clients of any implications for their investment strategies.

6. Reliance on Third-Party Information

- Use of External Data: LCA relies on external sources for market data and research. While we endeavor to verify the accuracy and reliability of this information, we cannot guarantee its infallibility.

For more information on specifics of our Service Limitations, please visit our website at www.lucrumcapitaladvisors.com, review our [Form ADV](#) or feel free to email info@lucrumcapitaladvisors.com or your LCA representative to learn more.

Due Diligence Process

Lucrum Capital Advisors (LCA) upholds a rigorous due diligence process as a cornerstone of our investment advisory services. This disclosure outlines the steps and considerations involved in our due diligence to ensure informed and prudent investment decisions for our clients.

1. Comprehensive Assessment of Investment Opportunities

- In-Depth Analysis: Our due diligence involves a thorough analysis of potential investment opportunities. This includes examining the financial health, business model, market position, and growth potential of investment targets.
- Risk Evaluation: We conduct a detailed risk assessment for each investment opportunity, evaluating factors such as market risks, credit risks, operational risks, and regulatory risks.

2. Utilization of Specialized Tools and Techniques

- Research Methodologies: LCA employs a range of research methodologies, including quantitative analysis, qualitative assessment, and financial modeling, to evaluate investment opportunities.
- Industry and Market Analysis: We incorporate comprehensive industry and market analysis to understand the broader context in which the investment operates.

3. Expert Team and Resources

- Experienced Professionals: Our due diligence is carried out by a team of experienced investment professionals with deep expertise in alternative assets.
- Access to Resources: The team has access to a wide array of resources, including market data, research reports, and industry insights, to support the due diligence process.

4. Third-Party Verifications

- External Consultants: Where necessary, LCA engages external consultants and experts for specialized assessments, such as legal due diligence, environmental assessments, or technical evaluations.
- Independent Reviews: We may also conduct independent reviews to validate the findings of our internal due diligence processes.

5. Ongoing Monitoring and Review

- Post-Investment Monitoring: Our due diligence extends beyond the initial investment decision. We continuously monitor the performance and risk profile of our investments to ensure they remain aligned with our clients' objectives.
- Responsive Adjustments: If significant changes or new information arise, we are prepared to make responsive adjustments to our investment recommendations.

6. Transparency and Client Communication

- Clear Reporting: Clients are provided with clear and detailed reports on the findings of our due diligence process.
- Client Involvement: We encourage client involvement and feedback throughout the due diligence process, ensuring their needs and perspectives are incorporated.

For more information on specifics of our due diligence process and procedures, please visit our website at www.lucrumcapitaladvisors.com or feel free to email info@lucrumcapitaladvisors.com or your LCA representative to learn more.