



LUCRUM

CAPITAL ADVISORS

Lucrum Capital Advisors, Inc.
Form CRS - Client Relationship Summary

December 1st, 2023

Introduction

Lucrum Capital Advisors, Inc. (“LCA”) is an investment adviser registered with the Commonwealth of Virginia. LCA is a wholly owned subsidiary of Lucrum Companies, Inc. (“Lucrum”). Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Brokerage services are provided to clients of LCA by an affiliate entity, Lucrum Capital Securities, Inc. (“LCS”), a wholly-owned subsidiary of Lucrum, and a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”) and a member of the Securities Investor Protection Corporation (“SIPC”).

The firm also has other affiliate companies, Lucrum Realty, Inc. (“Lucrum Realty”), a real estate finance and brokerage, and Lucrum Capital, LLC (“Lucrum Capital”), an alternative investment management firm that invests in real estate private equity, development, and related securities. It is important that you understand the differences between the types of products offered by LCA and associated fees and costs with those products. LCA’s Form CRS is designed to provide you an easy-to-read overview of our services, conflicts associated with providing these services, and the cost to you. This Form CRS also provides you “Conversation Starters” or considerations you might want to discuss with your financial professional. The SEC provides free educational materials about investment advisors, brokerage services and investing as well as offers simple tools to help you research firms and financial professionals at www.investor.gov/CRS.

What investment services and advice can you provide me?

We are an alternative investment advisory business that provides discretionary and non-discretionary investment advisory services to retail and institutional investors. We seek to meet each investor’s financial objectives by offering investment advice and recommendations on alternative and/or commercial real estate investment opportunities we source through relationships of Issuers and Owners of said alternative assets. These investment opportunities, such as commercial real estate private placements, are typically offered by “Sponsors” who seek to underwrite their offerings through a broker-dealer, such as LCS, or through any qualified and relevant third party to procure funds from Lucrum, LCA, LCS, and their respective clients.

Over time, we may make ongoing portfolio and investment recommendations which may change based on material changes to your profile. Our alternative investment advisory focus spans across several product types, which include the following:

1. Private Real Estate
2. Private Placements - Debt and Equity Offerings
3. Real Estate Syndications, DPPs, TICs, LP/GP
4. Real Estate Private Credit (e.g. promissory notes, mezzanine debt)
5. ABS and MBS and Mortgages and Mortgage Receivables
6. Other Real Assets (Infrastructure and Commodities)
7. Real Estate Derivatives: Forwards, Swaps, Options, and Futures
8. Equity and Debt Participation Certificates
9. Relevant Financial Instruments: Financial Swaps, CAT Bonds, RE and MBS Indices, etc.
10. Proptech Venture Capital and Real Estate Related Private Equity

Our investors' portfolios, both discretionary and non-discretionary, are reviewed periodically. More frequent reviews of investor portfolios may be triggered by factors such as changes in your investment objectives, cash flows in or out of an account, market fluctuations, or changes in the political or economic environment. We generally request new investors invest a minimum of between \$25,000 and \$100,000 upon any allocation. Smaller amounts may be accepted on an accommodation basis. You must be an accredited investor to invest with us. For more information regarding all of our services, please refer to our ADV Brochure available at www.adviserinfo.sec.gov.

Conversation Starters:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

What fees will I pay?

The fees and compensation payable to us may vary among our retail and institutional investors. In general, fees that you will pay are based on a fee schedule outlined in the Advisory Management Agreement or Consulting Agreement we provide to you upon opening an account. In general, fees are reviewed on a periodic basis by LCA and you are informed of any changes to standard fee schedules. Fees and costs you will pay directly or indirectly include custodian fees, advisory fees, and management fees. Investors in private placements may also indirectly bear a second level of fees and expenses charged by Sponsors on the platform as Sponsors may pass this cost on to the investment vehicle you are invested in. Additionally, Lucrum Capital Securities will charge brokerage fees to Sponsors and potentially investors in connection with its services.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Read more about our fees starting on Item 5 of the ADV Brochure.

Conversation Starters:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
- How might your conflicts of interest affect me, and how will you address them?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

We must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

For example, instances may arise where the interests of our firm and our affiliates conflict with your interests. On occasion, LCA and/or its affiliates will be presented with investment opportunities that satisfy (i) your investment objective; (ii) the investment strategy of Lucrum Capital; (iii) the interests of direct investor clients of LCS; or (iv) the objectives of one or more other investment vehicles sponsored by or advised by an affiliate of LCA. To mitigate this conflict, Lucrum affiliates and LCA fully disclose upfront to clients the nature and method of sourcing of the investment recommended. LCA investors, as well as clients and customers of all relevant affiliate parties, are treated in a fair and reasonable manner.

Additionally, LCA or our employees may (i) invest in the same opportunities we recommend to you or (ii) have a known interest in a Sponsor that we recommend to you or (iii) have a Sponsor who has a known interest in Lucrum. In the event of having a known interest, we will disclose this conflict to you. When you make an investment through LCS, you do not pay a direct fee to us; however, you may be charged to pay investor level fees from LCS, which are disclosed upfront through LCS representatives and their respective offering documents and disclosures. Additionally, the Sponsor pays LCS for underwriting fees of private placement opportunities for LCS' brokerage services, which are also disclosed upfront and in the offering documents.

As explained above, the Sponsor may pass these fees directly or indirectly onto investors in their offering. Some Sponsors charge the issuer entity in which investors invest, which reduces the issuer's proceeds available for operation and/or ultimate distributions; others charge these directly to investors, reducing their capital contribution into the issuer. Indirectly this compensation is used to fund employee compensation, including employees of LCA, which could create a conflict. There can be no assurance that we will resolve any conflict of interest in a manner that is favorable to you. However, we have internal controls in place to monitor,

mitigate, and disclose these issues should they materialize. Read more about our conflicts of interest and how we manage them in our ADV Brochure.

How do your financial professionals make money?

Our financial professionals receive a salary plus the opportunity for an incentive compensation. Some incentive compensation is based on the amount of assets we manage for you. Our financial professionals do not participate in any sales contests.

Do you or your financial professionals have a legal or disciplinary history? No. Visit www.investor.gov/CRS for a free and simple search tool to learn more.

Conversation Starters:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional information about our investment advisory services and a copy of Form CRS can be obtained by contacting us at 703-206-8116 and visiting us at www.lucrumcapitaladvisors.com.

Conversation Starters:

- Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?