

Item 1 – Cover Page

Form ADV Part 2A  
Informational Brochure

# **PSC Manager, LLC & Peaceable LLC**

**1000 Floral Vale Boulevard, Suite 250**

**Yardley, PA 19067**

**(267) 291-7400**

March 2024

**This brochure provides information about the qualifications and business practices of Peaceable LLC and PSC Manager, LLC (together, “Peaceable” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (267) 291-7400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Peaceable also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 – Material Changes.

Registered investment advisers are required to list material changes in this Item 2.

Certain updates have been made to this Part 2A to reflect the Company's business practices. In particular, Items 4 and 12 have been updated to reflect certain side arrangements and to describe the allocation of investments by Peaceable in light of those side arrangements.

You may request the most recent version of this brochure by contacting the Company's Chief Compliance Officer, Elaine Johnson at (267) 291-7400.

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## Item 4 – Advisory Business

Each of Peaceable LLC and PSC Manager, LLC is a Delaware limited liability company, and together with their respective affiliates are referred to herein as “Peaceable” or the “Company”, unless the context otherwise requires. Peaceable is a specialty finance platform generally focused on making structured investments in small to mid-sized income producing commercial real estate, including multi-family apartments, office buildings, self-storage, industrial, retail, mobile home parks, parking garages, health care facilities, hotels, and others in the United States and Canada.

Peaceable was founded to help commercial property buyers and owners partially satisfy the equity requirements of their projects. The Company is built on a foundation of know-how, creatively structuring preferred equity in complex situations.

Peaceable provides participating financing structured as preferred equity, which ranks senior to the common equity invested by the real estate operators (each, an “Operating Partner”), who manage and operate the real estate assets. Transactions generally have a “first-loss” common equity component funded by the relevant Operating Partners, which ranks junior to Peaceable’s preferred equity. Peaceable also tends to receive profit participation.

The investment team at Peaceable is led by David Henry (Co-Founder), Frederick Kurz (CEO), James Bruin (President), and Elaine Johnson (CIO & CCO), each of whom on average has 30 plus years’ experience in real estate investing.

Peaceable acts as the holding company of Peaceable Street Capital LLC (“Peaceable I”), Peaceable Street Capital II LLC (“Peaceable II”), Peaceable Street Capital III (“Peaceable III”) as well as parallel vehicles. Each of these entities invests in a number of underlying real estate related investments. Peaceable I and Peaceable III investments are located in the United States, while Peaceable II investments are located in Canada.

Peaceable also invests alongside individual institutional investors in some instances in pooled investment vehicles (“Funds”). Peaceable, at its discretion, may offer its own equity interests in such Funds to other investors.

As December 31, 2023, Peaceable has approximately \$762,776,039 in assets under management. Peaceable’s discretionary assets under management are \$292,596,584 and its non-discretionary assets under management total \$470,179,454. We have calculated the assets under management by accepting the net asset value of each private fund and adding their uncalled but callable capital commitments. Because some of our funds invest in other of our funds, this results in counting some specific assets more than once.

In accordance with industry practice, Peaceable has and in the future may enter side arrangements with certain investors pursuant to which Peaceable grants particular investor(s) specific benefits or privileges that have not been made available to other investors. Such arrangements are effective except if altered by the particular investors.

## Item 5 – Fees and Compensation

### Fees Charged

While each investment and investment vehicle may be different, Peaceable typically receives compensation from fees based on a percentage of assets under management, carried interest allocations (otherwise known as a “promote”), and certain other fees or expenses, all in accordance with the terms of each investment vehicle’s governing documents. Additionally, each investment vehicle also bears certain expenses, which typically will include, but not limited to, fees associated with buying or selling portfolio investments, organizational expenses, legal, tax, and accounting fees, taxes, commissions and brokerage fees, regulatory fees, and other similar fees and expenses. When investing in an investment vehicle, prospective investors should review all fees and expenses charged by Peaceable and any of its affiliates, as disclosed in such investment vehicle’s governing documents, and all other expenses to fully understand what is paid by each investment vehicle and indirectly, by the prospective investors. Fees are and can be negotiated with investors.

Peaceable may call capital for management fees and other expenses and/or pay these fees and expenses out of current income and disposition proceeds.

### Asset Management Fees

For some investment vehicles, Peaceable receives an annual management fee (the “Management Fee”) from the investment vehicles it manages. Management Fees are paid quarterly, in arrears. Management Fees will be pro-rated for any period that is less than a full billing period. In the discretion of Peaceable, some investors (including related parties) have all or a portion of their Management Fee waived or reduced. For a specific explanation of the fees, including the Management Fee, for any particular investment vehicle, investors should carefully review the governing documents of that investment vehicle.

### Promote

For certain investment vehicles it manages, Peaceable receives performance-based compensation from such investment vehicles in the form of carried interest (otherwise known as a “promote”) in accordance with the terms of each such investment vehicle’s governing documents. Carried interest is a share of the net profits realized on distribution of proceeds and/or the disposition of investments that is generally paid to Peaceable as an incentive to maximize performance. The investment vehicles are generally subject to a carried interest percentage that ranges from 10% to 20%. However, in limited circumstances, a carried interest percentage may be higher or lower than this range. Carried interests are generally paid after returns meet a predetermined preferred return and/or cash-on-cash multiple. Investors should carefully review the governing documents of their particular investment vehicle for specifics on the carried interest for such investment vehicle. In the discretion of Peaceable, some investors (including related parties) have all or a portion of their carried interest waived or reduced.

Investment vehicles that are subject to a carried interest compensate Peaceable for positive performance in those investment vehicles. Carried interest compensation arrangements provide a heightened incentive for Peaceable to make investments that present a greater potential for return but also a greater risk of loss or that are more speculative than would exist if only asset-based fees were applied. This incentive is mitigated, however, because any losses the investment vehicle sustains will reduce the carried interest distribution and the fact that carried interest is generally calculated only after investors have received as distribution a significant portion of their capital contributions plus a preferred return and/or cash-on-cash multiple on capital contributed for realized investments and expenses.

In addition, the simultaneous management of investment vehicles that are subject to carried interest and investment vehicles that are not subject to carried interest, or that are subject to carried interest at a different rate, creates a conflict of interest, as Peaceable has an incentive to favor investment vehicles with the potential to bear greater compensation to Peaceable when allocating resources, services, or investment opportunities among investment vehicles. This incentive is mitigated, however, because the various investment vehicles will either be special purpose vehicles established for specific investments, or investment vehicles which are not created to be managed simultaneously on an ongoing basis but rather with one vehicle’s investment period starting as another is ending.

### Side-by-Side Management

Peaceable simultaneously manages multiple investment vehicles. To mitigate conflicts, Peaceable has developed investment allocation policies regarding the distribution of investment opportunities among investment vehicles, consistent with side arrangements with certain investors as described in Item 12 below.

### Closing Fees

Peaceable may receive a fee at the closing of each investment entered into by an investment vehicle for its work performing diligence of such investment. This fee is typically 1.00% of the commitment amount, but could be higher or lower.

### Other Fees and Expenses

Each investment vehicle bears its own fees and expenses. Peaceable is responsible for its own operating expenses, including, but not limited to, office rent, salaries, furniture, fixtures, and all other office equipment. Documents related to individual investments will detail further what other expenses may be incurred.

### Pro Rata Fees

In the event an investor comes into an investment vehicle (either through a transfer from an existing investor or as permitted by Peaceable), Management Fees will be calculated on a pro rata basis. Likewise, if an investor transfers their interests, Management Fees will be pro-rated.

### Compensation for the Sale of Securities

None of the employees of Peaceable is a registered representative of a broker-dealer.

### Item 6 – Performance-Based Fees

Please see response to Item 5.

### Item 7 – Types of Clients

Peaceable clients are pooled investment vehicles.

### Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

***It is important for investors to know and remember that all investments carry risks. Investing in securities involves risk of loss that clients should be prepared to bear.***

Peaceable manages pooled investment vehicles. The investment objectives of an investment vehicle managed by Peaceable are to seek to provide investors with capital appreciation and/or income by investing in real estate operating entities.

### Sourcing

Peaceable's investment process begins with its ability to source potential investments, typically through the network of the Management Team that they have developed over their decades in the industry. Peaceable also seeks to partner with other professionals who have the ability to add value in the acquisition, development, and renovation of the types of middle market properties in which Peaceable focuses its efforts. Peaceable refers to such professionals as Operating Partners. These Operating Partners have a broad array of real estate asset experience, bringing varied investments to Peaceable. An ideal Operating Partner will have experience over multiple real estate cycles, local market knowledge, the ability to present potential investments that may not have "hit the market", the appetite and capacity to invest meaningful first-loss equity and, above all, a track record that demonstrates their talents. Operating Partners manage, maintain, and operate the real estate in which Peaceable invests.

### Diligence

Diligence process involves the review of business plans, financial statements, risk evaluations, market research, local real estate laws, and the proposed deal structure. A key component of the diligence process is the analysis of potential exit strategies. Peaceable's Investment Committee is responsible for approving each investment. A formal Investment Committee memorandum must be prepared and presented to the Investment Committee for final approval of each investment, and a formal approval memo must be signed by the members of the Investment Committee before an investment is completed.

### Risk Factors

The investments pursued by Peaceable involve a high degree of uncertainty. The possibility of partial or total loss of capital exists in connection with such strategies and investors should not invest unless they can readily bear the consequences of such loss.

All investments risk the loss of capital. No guarantee or representation is made that Peaceable will achieve its investment objective or that an investor will receive a return of its capital. In addition, there are occasions when Peaceable and its affiliates encounter potential conflicts of interest in connection with an investment. In evaluating

whether to make an investment in Peaceable or its affiliates, potential investors should consider all information contained in the respective investment's operating documents. The following discussion is not an exhaustive list of all potential risks.

## **RISKS**

***Illiquidity of Interests.*** The investments in which Peaceable invests are suitable only for long-term investors. There is not now and there may never be a public market for ownership interests in such investments. There are also significant contractual restrictions on liquidity for each investment.

***Inability to Realize any Economic Benefit from the Interests.*** There can be no assurance that any investor will realize any economic benefit from an investment. Investors should be aware that the possibility of partial or total loss of their invested capital exists, and investors should not invest unless they can readily bear the consequences of a complete loss of their invested capital in respect thereof.

***No Expectation of Current Distributions from the Company.*** There is no expectation that the investments will generate regular income or distributions to investors.

***Absence of Recourse.*** Contractual documents for each investment limit the circumstances under which Peaceable, the operating entity, or their respective affiliates can be held liable to the operating entity of an investor. As a result, investors will have a more limited right of action in certain cases than they would in the absence of such provisions.

***Risks Associated with Funding for Future Growth.*** If, as anticipated, the operating entity manager and Peaceable determine to expand the operating entity's business, the entity may seek additional sources of financing, including by incurring additional debt and equity. Additional debt funding can increase the operating risk, while additional equity funding could be on terms that could disproportionately dilute the existing equity, including the equity then held indirectly by the investors.

***Nature of Investments.*** Investments generally will consist of preferred equity and participating loans, which are subject to liquidity, market value, credit, interest rate and certain other risks. In addition, there can be no assurance that Peaceable will correctly evaluate the nature and magnitude of the various factors that could affect the value and return of the Investments. The value of the investments may be volatile and will generally fluctuate as a result of a variety of factors that are inherently difficult to predict, including changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the issuers or obligors. Investments which become non-performing or defaulted loans may become subject to a workout negotiation or restructuring. This may entail a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants of these investments.

***General Real Estate Market Risks.*** Investments in real estate and real estate operators (whether in the form of debt or equity) are subject to various risks, including changes in regional, national and international economic conditions, adverse local market conditions, the financial condition of tenants, buyers and sellers of properties, changes in the availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of property types and locations, risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, natural disasters and uninsurable losses, acts of war (declared and undeclared), terrorist acts, strikes and other factors which are beyond the control of the borrower and/or property owner.

***Concentration on the Real Estate Sector.*** Peaceable's focus on the real estate sector may increase the volatility of returns and expose investors to the risk of downturns in the real estate sector to a greater extent than if our portfolio also covered other sectors of the economy.

***Interest Rate and Inflationary Risks.*** Investments have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of one or more investments. Changes in the general level of interest rates in response to inflationary or other economic factors can affect distributions by affecting the spread

between the income on its assets and the expense of its interest-bearing liabilities, as well as, among other things, the value of its interest-earning assets, the capitalization rate at which its assets are valued in the market and its ability to realize gains from the sale of investments. In addition, governmental measures to curb inflation and speculation about possible future governmental measures may contribute to the negative economic impact of inflation and may create general economic uncertainty. Future governmental economic measures, such as interest rate increases, intervention in foreign exchange markets and actions to adjust or fix currency values, may trigger or exacerbate increases in inflation, and consequently have an adverse impact on investment returns.

**Junior Positions.** It is expected that a significant portion of the investments will be structured as junior loans or preferred equity, which interests will be junior to the security held by senior creditors. These types of investments involve a higher degree of risk than a senior loan because the investment may become unsecured because of foreclosure by the senior lender and the ability of Peaceable to influence an entity's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, Peaceable may not have full recourse to the assets of the property owning entity, or the assets of the entity may not be sufficient.

**Geopolitical Risk:** Risks outside of the financial markets affect the markets and investments, often at times significantly. The occurrence of geopolitical events in recent years such as (but not limited to): Middle East instability; military conflict in Ukraine and surrounding areas, alleged cyber-attacks by Russia, China, and North Korea; ongoing epidemics of infectious diseases that can be spread within a country, region or globally; terrorist attacks in the U.S. and around the world; social and political discord; governmental debt crises, and strains on international relations between the U.S. and a number of foreign countries, including traditional allies; new and continued political unrest in various countries; changes in the U.S. Presidency and federal administration; can result in market volatility, have long-term effects on the U.S. and worldwide financial markets, and cause further economic uncertainties in the U.S. and worldwide.

**Risks of Investing in Canada.** Peaceable makes investments secured by assets located in Canada or that are issued by companies in Canada. Because non-U.S. investments may involve non-U.S. dollar currencies, investments may be affected favorably or unfavorably by changes in currency rates (including because of the devaluation of a foreign currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies.

For real estate operators that keep accounting records with respect to the property in local currency, some countries' inflation accounting rules require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet to express items in terms of currency of constant purchasing power, while others do not permit such restatement.

**Illiquid and Long-Term Investments.** Most investments will not be sold or realized for a number of years. Generally, there will not be an opportunity to redeem interests in any investment vehicle. Transfers of interest are not permitted without consent of Peaceable.

**Climate Change.** Peaceable may acquire investments that are in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on assets' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, investments are vulnerable to: risks of property damage; indirect financial and operational impacts from disruptions due to severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for investments; increased insurance claims and liabilities; increases in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources; decreased consumer demand for particular properties; incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.



## Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisors such as Peaceable to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. We have no information to report that is applicable to this item.

## Item 10 – Other Financial Industry Activities and Affiliations

### Broker Dealer

There are no day-to-day brokerage trades placed on behalf of clients or investors. Therefore there are no contractual relationships between Peaceable and a broker-dealer that would give rise to a conflict of interest.

### Futures Commission Merchant/Commodity Trading Advisor

None of Peaceable's professionals or related persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.

### Relationship with Related Persons

Peaceable is partially owned by Orangewood Partners Management LLC ("Orangewood"), a private equity firm located in New York, New York. The remainder of Peaceable is owned by Bridge Peace Holdings LLC, which is a subsidiary of SunBridge Capital Management LLC ("SunBridge"), and Peaceable's management.

Certain investors of Peaceable invest in real estate outside of Peaceable. However, none of these related entities invest in real estate opportunities of substantial similarity to investments which may be considered by Peaceable. For example, these related entities are likely to invest in larger potential deals or different real estate characteristics. However, if an investment opportunity is appropriate for more than one of these related firms, Peaceable's compliance program will be responsible for determining if a material conflict of interest exists and how such conflict should be resolved.

### Recommendations to Other Advisers

Not applicable.

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

- A. A copy of Peaceable's Code of Ethics is available upon request. The Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Peaceable is not registered, nor does it have a registration pending, as a commodity trading adviser.
- C. On occasion, owners and managers of Peaceable, as well as affiliates of Peaceable, purchase ownership in the Company.
- D. Due to the nature of the investments Peaceable makes, any individuals associated with Orangewood or SunBridge making an investment through Peaceable will do so directly or indirectly through the same entity as other investors.

## Item 12 – Brokerage Practices

No day-to-day brokerage trades are placed on behalf of clients.

In regard to allocation of investment opportunities, Peaceable has developed investment allocation policies regarding the distribution of investment opportunities among investment vehicles, consistent with side arrangements with certain investors as below.

As stated above, Peaceable enters into side arrangements with certain investors and participates in various Funds with specific institutional investors (“Investor 1” and “Investor 2”). Investors 1 and 2 have provided commitments to invest with Peaceable so long as Peaceable’s potential assets meet specific types of conditions and restrictions such as their size, location, and investment purpose. Investors 1 and 2 may change, terminate or rescind their current arrangements with Peaceable in the future. In particular, Investor 1 is able to close on an asset with Peaceable under tight timeframes.

Pursuant to these arrangements, Peaceable’s other Funds and investors may only receive an allocation of an investment opportunity after Investors 1 and 2 have determined their desired allocations, if any, in particular assets. Also, Peaceable’s other pooled investment vehicles and investors may not receive any allocation of a particular investment opportunity, or may receive a lesser allocation, if Investor 1 and/or 2 elect to fully or partially invest in a proposed opportunity.

Notwithstanding these verbal arrangements, Peaceable seeks to allocate investment opportunities in a manner that is fair and equitable. Peaceable mitigates these conflicts of interest because Investor 1 has capped its total allocation of assets it will invest in with Peaceable. Further, the conflicts presented by the verbal arrangements with Investors 1 and 2 are mitigated by disclosures of the conflicts of interest.

### Item 13 – Review of Accounts

Peaceable reviews the performance of each investment and updates the valuations of each investment on at least an annual basis. Investors in Peaceable receive annual financial information.

### Item 14 – Client Referrals and Other Compensation

Peaceable, from time to time, engages one or more persons to aid in the raising of capital for investment entities. Such persons are compensated by a fee in an amount equal to a percentage of the capital raised introduced. Fees based on a percentage of the capital raised are paid by Peaceable.

### Item 15 – Custody

Due to the ownership structures of some investment entities, related persons to Peaceable will be deemed to have custody of client funds for those entities. Each such investment entity will be audited at least annually by a PCAOB registered accounting firm.

### Item 16 – Investment Discretion

Peaceable generally retains investment discretion over its pooled investment vehicles.

### Item 17 – Voting Client Securities

The nature of Peaceable’s investments makes it unlikely that it will be in a position to vote proxies on behalf of any of its clients. If Peaceable is in a position to do so, Peaceable’s objective is to ensure that its proxy voting activities on behalf of its clients are conducted in a manner consistent, under all circumstances, with the best interest of the clients. If Peaceable determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Peaceable will address each proxy on a case-by-case basis. Copies of Peaceable’s Proxy Voting Policies and Procedures are available upon request.

### Item 18 – Financial Information

Peaceable does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

Peaceable has discretion over each investment vehicle’s investments. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.