

Equalize Capital, LLC

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Form ADV, Part 2, our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940, is a very important document between Clients (you, your) and Equalize Capital, LLC (us, we, our). This Brochure provides information about our qualifications and business practices.

This brochure provides information about the qualifications and business practices of Equalize Capital, LLC. If you have any questions about the contents of this brochure, please contact us at [\(443\) 802-6135](tel:4438026135) or ken@aldencapitalmanagement.com. 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 Equalize Capital, LLC also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

1. This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.
2. We have updated the amount of our assets under management.

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Item 4 – Advisory Business

Description of Advisory Services

Equalize Capital, LLC (“Equalize”, “we” or “us”) became registered as an investment adviser with the Securities and Exchange Commission (SEC) on February 14, 2019, as Bluestone Capital Partners, LLC. On April 14, 2021, we changed our name to Equalize Capital, LLC. Our total assets under management as of this filing is \$82,191,160, all of which are managed on a discretionary basis. Equalize Capital, LLC is a limited liability company formed in Puerto Rico principally owned by Joseph Gladue and Lee Calfo.

We provide discretionary asset management services to a registered investment company and one private fund

Asset Management Services

We provide discretionary asset management services to the Equalize Community Development Fund (formerly known as the Bluestone Community Development Fund) (BLUCX) (the “Fund”), a registered investment company. We make investment decisions for the Fund and continuously review, supervise and administer the Fund’s investment program. We invest the Fund’s assets primarily in a portfolio of 504 First Lien Loans secured by owner-occupied commercial real estate which represent the non-guaranteed portion of an SBA 504 transaction.

We also provide discretionary asset management services to the American Home Opportunity Mortgage Fund, LP, a private fund (the “AHOMe Fund”). We make investment decisions for the AHOMe Fund and continuously review, supervise and administer the Fund’s investment program. We invest the Fund’s assets primarily in a portfolio of ITIN mortgage loans secured by owner-occupied residential real estate. These loans are primarily 30-year, fixed rate mortgages extended to immigrants who lack a social security number and instead pay taxes using an Individual Taxpayer Identification Number (ITIN).

Item 5 – Fees and Compensation

Asset Management Services to The Equalize Community Development Fund

For advisory services to the Fund, we are entitled to a fee, which is calculated daily and paid monthly, at an annual rate of 1.50% of the average net assets of the Fund. Pursuant to a separate operating expenses limitation agreement between us and the Fund, we have contractually agreed to waive or reduce our management fees and/or reimbursement of expenses of the Fund beginning May 2, 2021 until at least October 31, 2023. to ensure that total annual fund operating expenses (excluding Excluded Expenses) will not exceed 2.25% of the Fund’s average annual net assets. We are permitted to be reimbursed in any subsequent month in the three year period from the date of the fee waiver and/or expense reimbursement if the aggregate amount actually paid by the Fund toward operating expenses for such month (taking into account the reimbursement) will not cause the Fund to exceed the lesser of: (a) the expense limitation in effect at the time of the fee waiver and/or expense reimbursement; or (b) the expense limitation in effect at the time of the reimbursement. The Fund’s operating expenses limitation agreements may be terminated only by, or with the consent of, the Board of the Fund.

Asset Management Services to American Home Opportunity Mortgage Fund, LP

For advisory services to the AHOMe Fund, we are entitled to receive a management fee paid monthly in advance. This fee is equal to 1/12th of 1.25% (1.25% *per annum*) of each investor's capital account balance as of the beginning of each month.

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not receive performance-based fees.

Item 7 – Types of Clients

We provide our services to one registered investment company and one private fund.

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

Equalize Community Development Fund

We use a team approach for the management of the Fund. Our team is composed of several experienced portfolio managers; Lee A. Calfo, and Joseph Gladue.

We invest the Fund's assets primarily in a portfolio of 504 First Lien Loans secured by owner-occupied commercial real estate which represent the non-guaranteed portion of an SBA 504 transaction.

Under normal market conditions, we will invest at least 80% of its total assets in 504 First Lien Loans. 504 First Lien Loans are made to small businesses for the purchase or improvement of land and buildings. 504 First Lien Loans are not guaranteed by the SBA, U.S. Government or by its agencies, instrumentalities or sponsored enterprises.

Risk of Loss:

Investment and Market Risk. The value of 504 First Lien Loans and other investments in the Fund may fluctuate. The investment in these loans does not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the FDIC, the Federal Reserve Board (the "FRB") or any other government agency.

Except to the extent used to satisfy periodic repurchase offers, we expect to be able to fully invest net proceeds in accordance with the Fund's investment objectives and policies within three to six months of receipt of the proceeds. Such investments may be additionally delayed for a period of three months or longer if 504 First Lien Loans that are eligible for CRA treatment as community development loans or qualified investments are unavailable at the time or for other reasons. A delay in the anticipated use of proceeds could prevent the Fund from achieving its investment objectives.

Fixed Income Instruments Risk. Fixed income instruments are particularly susceptible to the following risks:

Issuer Risk. The value of fixed income instruments may decline for a number of reasons that directly relate to the issuer, such as management performance and financial leverage.

Interest Rate Risk. The market price of the Fund's investments will change in response to changes in interest rates and other factors. During periods of declining interest rates, the market price of fixed rate fixed income instruments generally rises. Conversely, during periods of rising interest rates, the market price of such instruments generally declines. The magnitude of these fluctuations in the market price of fixed income instruments is generally greater for instruments with longer durations because such instruments do not mature, reset interest rates or become callable for longer periods of time. Fluctuations in the market price of the Fund's instruments will not affect interest income derived from instruments already owned by the Fund, but will be reflected in the Fund's NAV.

Interest Rate Reset Risk. Market interest rates may dictate that 504 First Lien Loans include shorter duration adjustable-rate terms based on Prime, LIBOR, LIBOR Swap, or some other index. If market rates are higher at the time of future rate resets, the borrower's 504 First Lien Loan payment will rise accordingly. A significant rise in a 504 First Lien Loan's interest rate and payment, especially if that increase is concentrated over a short period of time, could result in borrower distress or default.

Since the 504 Second Lien Loan has a fixed interest rate, only the borrower's 504 First Lien Loan payment will be affected and this increased payment could result in the default of the 504 First Lien Loan, subsequent liquidation action and loss to the Fund.

LIBOR Transition Risk. Certain instruments in which the Fund may invest rely in some fashion upon the London Interbank Offered Rate (LIBOR). The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on the Fund or on certain instruments in which the Fund invests are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a reduction in the value of certain instruments held by the Fund. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Fund.

Prepayment Risk. During periods of declining interest rates, the issuer of an instrument may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in potentially lower yielding instruments. This is known as prepayment or "call" risk.

Risk of Loans That Are Not Fully Amortized. Certain First Lien Lenders may offer loans that are not fully amortizing, such as a 25-year amortization due in 10 years, to their small business commercial real estate borrowers. If a borrower is unable to pay off a loan at maturity with proceeds of a refinancing by a third-party lender or sale of the property, the Fund would be faced with a matured loan with an outstanding principal balance which would result in substantial losses to the Fund.

504 First Lien Loans Risk. The Fund predominantly invests in fixed or variable rate 504 First Lien Loans arranged through private negotiations between a small business borrower (the “Borrower”) and one or more First Lien Lenders. 504 First Lien Loans are secured by real property and have a claim on the assets of the Borrower that is senior to the second lien held by a CDC and any claims held by unsecured creditors. The 504 First Lien Loans the Fund will invest in are not rated. 504 First Lien Loans are subject to a number of risks, including credit risk, liquidity risk, valuation risk and interest rate risk.

Although the 504 First Lien Loans in which the Fund will invest will be secured by real property, there can be no assurance that such real property can be readily liquidated or that the liquidation of such real property would satisfy the Borrower’s obligation in the event of non-payment of scheduled interest or principal, which could result in substantial loss to the Fund.

In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the real property securing a 504 First Lien Loan. In the event of a decline in the value of the already pledged real property, the Fund will be exposed to the risk that the value of the real property will not at all times equal or exceed the amount of the Borrower’s obligations under the 504 First Lien Loan.

In general, the secondary trading market for 504 First Lien Loans is not fully developed. No active trading market may exist for certain 504 First Lien Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain 504 First Lien Loans quickly or at a fair price. To the extent that a secondary market does exist for certain 504 First Lien Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

If legislation or state or federal regulations impose additional requirements or restrictions on the ability of Financial Institutions or Non-bank Lenders to make 504 First Lien Loans, the availability of 504 First Lien Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain Borrowers.

There may be less readily available information about 504 First Lien Loans and the Borrowers than is the case for investments in many other types of securities. 504 First Lien Loans are issued to Borrowers that are not subject to SEC reporting requirements. As a result, we will rely primarily on our own evaluation of a Borrower’s credit quality rather than on any available independent sources. Therefore, the Fund will be particularly dependent on our analytical abilities.

American Home Opportunity Mortgage Fund, LP

We use a team approach for the management of the AHOME Fund. Our team is composed of two experienced portfolio managers: Lee A. Calfo, and Joseph Gladue.

The AHOMe Fund invests primarily in ITIN Loans originated through, or purchased by, First Community Mortgage (“**FCM**”). These loans will be underwritten within normal industry parameters, including loan-to-value ratios of up to 80%, and terms of 15 and 30 years. The loans will primarily be fixed-rate loans, though some other agency and non-agency adjustable-rate mortgages may also be originated and included in the AHOMe Fund to provide expanded opportunities to borrowers while reducing interest rate risk modestly.

Under normal market conditions, we intend to keep the AHOMe Fund’s assets fully invested in ITIN mortgage loans. ITIN Loans are generally extended to people in the United States that do not have permanent residency status. The fact that such individuals have an ITIN number issued by the IRS indicates that they are paying taxes and are known to the government. Many of these people have long credit histories and are long-term members of the communities in which they reside, and many are in the process of applying for U.S. citizenship.

Risk of Loss:

Risks of Real Estate Mortgage Investing. The AHOMe Fund expects to invest in mortgage debt secured by real estate. Real estate investments generally will be subject to the risks incident to the ownership and operation of residential real estate and/or risks incident to the making of non-recourse mortgage loans secured by real estate, including risks associated with (i) both the domestic and international general economic climate; (ii) local real estate conditions; (iii) an entity’s dependence on cash flow; (iv) the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for example, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing, including periods of high interest rates and tight money supply; (viii) energy and supply shortages; (ix) changes in tax, real estate, environmental and zoning laws and regulations; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of the AHOMe Fund or third party operators or borrowers to manage the real properties. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on their resale by the AHOMe Fund. The possibility of a partial or total loss of capital will exist.

Risks of Residential Mortgage Loans. The AHOMe Fund expects to invest in performing and non-performing residential mortgage loans, loans with any combination of principal and interest payment structures of any term (e.g., fixed rate, adjustable rate bonds (“**ARMs**”), Hybrid ARMs), loans underwritten pursuant to any or no underwriting standards (e.g., within or outside of Fannie Mae or Freddie Mac guidelines) and loans of any size (e.g., conforming and nonconforming loans). Residential mortgage loans are secured by single-family residential properties and are subject to risks of delinquency and foreclosure and risks of loss. A borrower’s ability to repay a loan secured by a residential property is dependent upon various factors, including the income or assets of the borrower. The AHOMe Fund may invest in non-prime or sub-prime residential mortgage loans (which are subject to higher delinquency, foreclosure and loss rates than prime residential mortgage loans), which could result in greater losses for the AHOMe Fund. Non-prime and sub-prime residential

mortgage loans are made to borrowers with poor or limited credit histories and, as a result, do not qualify for traditional mortgage products. In addition, these loans may have been originated under inconsistent underwriting guidelines, no underwriting guidelines at all or fraudulent origination practices. Non-prime and sub-prime borrowers have materially higher rates of delinquency, foreclosure and loss compared to prime credit quality borrowers. Investments in non-prime and sub-prime residential mortgage loans are subject to greater risk than investments in prime residential mortgage loans.

Risks Specific to ITIN Loans. ITIN Loans are generally extended to people in the United States that do not have permanent residency status. The fact that such individuals have an ITIN number issued by the IRS indicates that they are paying taxes and are known to the government. Many of these people have long credit histories and are long-term members of the communities in which they reside, and many are in the process of applying for U.S. citizenship. However, changes in the political environment could result in the expulsion of some ITIN borrowers from the country, resulting in cessation of payments and/or loan defaults. Political forces could also result in amnesty programs that could provide a path to citizenship for some of the borrowers. Achieving citizenship could increase the opportunities for borrowers to refinance their mortgages at lower rates and with a broader set of financial institutions.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report to you. This statement applies to our Firm, and every employee.

Item 10 – Other Financial Industry Activities and Affiliations

We are affiliated with J. Alden Associates, Inc (“J. Alden”), a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), which was purchased by Lee Calfo and Ken Smith and approved by FINRA on August 10, 2018. We are also affiliated with Alden Capital Management (“Alden”), an investment adviser registered with the Securities and Exchange Commission, through our common ownership by the principals of Alden Capital.

Our Chief Compliance Officer, Ken Smith, is also the founder of Compass Financial Advisors, LLC, a registered investment adviser that is affiliated with us through common control. Mr. Smith only provides investment advisory services through Compass Financial Advisors. He also serves as the Chief Compliance Officer of J. Alden, and Alden. One of our principal owners, Lee Calfo, is also registered as an investment adviser representative with Alden.

Item 11 – Code of Ethics

As required by regulation and because it’s good business, we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to

you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client) and to drive home a culture of compliance within our firm.

An additional benefit of our Code is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code includes the following:

- Requirements related to the confidentiality of your information;
- Prohibitions on:
 - Insider trading (if we are in possession of material, non-public information);
 - Rumor mongering;
 - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients. We will not put our interests first in doing so by trading ahead of client orders to obtain a better price.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn.: Ken Smith, Chief Compliance Officer.

Item 12 – Brokerage Practices

General Considerations:

Although we have discretion to select brokerage firms, the assets that we purchase for our clients are generally not brokerage products, so we do not utilize the services of brokerage firms.

Item 13 – Review of Accounts

We have two clients, the Equalize Community Development Fund (BLUCX) (the “Fund”), a registered investment company, and the American Home Opportunity Mortgage Fund, LP, a private fund (the “AHOMe Fund”). As part of our management of these two funds, we evaluate them on a continual basis for the appropriateness of the current investments, the risk and yield characteristics of the fund investments, and other characteristics of the funds that may be of interest to fund investors.

Reports on the funds are provided by the fund administrators (UMB for the BLUCX Fund and NAV Consulting for the AHOMe Fund) on a monthly basis. These reports provide summaries of monthly, period-to-date, and annual returns for the funds. We also obtain interest rate sensitivity analysis reports for both funds on a quarterly basis.

Item 14 - Client Referrals and Other Compensation

We do not receive any economic benefit from anyone for referring our clients, nor do we compensate any person for client referrals.

Item 15 – Custody

We do not have custody of client funds or securities.

Item 16 – Investment Discretion

Under our investment advisory management agreements, we manage our clients’ assets on a discretionary basis.

Item 17 – Voting *Client* Securities (i.e., Proxy Voting)

We do not have authority to vote client securities.

Item 18 – Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. There is no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you. We have not been the subject of a bankruptcy petition and neither have any of our employees.