

Full Cycle Funding Income Fund

Secured, Passive Returns with Real Estate-Backed Lending
A Conservative Approach to Private Real Estate Debt

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About Us

$16M+
PRIVATE LOANS ORIGINATED 2025

750+
REAL ESTATE PROJECTS COMPLETED

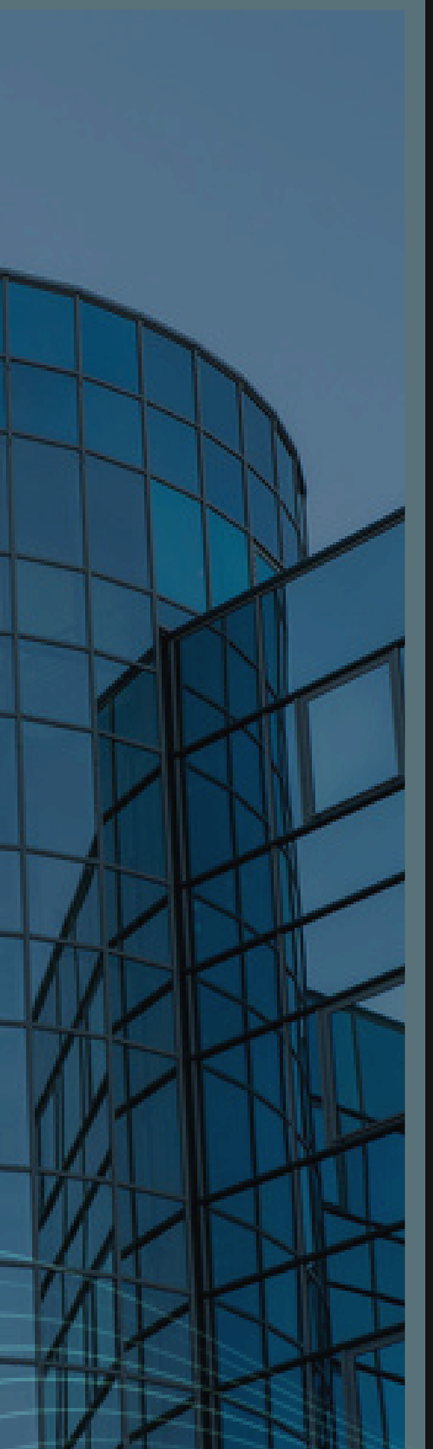
Full Cycle Funding Income Fund LLC is a private Debt Fund formed to capitalize on the high-yield, short-term lending market secured by U.S. real property. The Fund's primary objective is to generate **consistent income and strong capital preservation** through the direct origination and acquisition of asset-backed mortgage loans.

We offer accredited investors a clear path to high-yield income through a **conservative, collateral-focused strategy** that targets a **10.5% Simple *Preferred Return**.

Fund	**Full Cycle Funding Income Fund LLC**
Manager	**Full Cycle Funding LLC**
State of Organization	**Florida**
Headquarters	**10300 49th St N 201, Clearwater, FL 33762**
Principals	**David Shaw** Fund Manager, **Michael Hildebrandt** Chief Compliance Officer / In House Counsel, **Sheena Berry** Asset Manager / Investor Relations / Client Services
Management Authority	**The Manager, Full Cycle Funding LLC, possesses complete authority over all business and investment matters.**

*The projected 10.5% return are Preferred Returns only and are not guarantees of future performances. These forward-looking statements are based on borrower's ability to repay loans, and they involve risks, variables and uncertainties. Sponsor makes no representation or warranty that any investor will, or is likely to, attain the returns shown above since hypothetical or simulated performance is not an indicator or assurance of future results. Please review the financials disclaimers on page 2 and Private Placement Memorandum (PPM).





The Offering: Key Terms

The Fund is structured as an open-ended, non-traded private Debt Fund offered exclusively to Accredited Investors under the Rule 506(c) exemption.

Eligibility	Offering Type	Minimum Subscription	Target Return
Accredited Investors Only	Open-Ended Private Fund (Rule 506(c))	$50,000.00	10.5% Simple Preferred Return (Annualized)

Units Offered	Fund Duration
Proportional ownership via redeemable units ($1,000 per unit)	Open-ended; remains operational until Manager determines a wind-down date.

ASSETS UNDER MANAGEMENT (AUM) TARGETS

Year 1 Target: $10 Million in AUM

Year 3 Projection: $20 Million in AUM

Year 5 Projection: $75 Million+ in AUM

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Investment Strategy

10.5%
PROJECTED ANNUAL RETURN

$75M
AUM in 5 Years

David Shaw's deep foundation in construction, real estate investing, and private lending gives him a uniquely sharp perspective on underwriting and risk mitigation in hard money lending. Having personally originated over $15 million in private loans and successfully managed more than 750 property renovations, David understands both sides of the lending equation — as a borrower and a lender. His early experience in construction project management instilled a granular understanding of cost control, asset valuation, and project feasibility, allowing him to accurately assess borrower risk and collateral strength. Combined with nearly two decades of market cycles, hands-on investing, and portfolio oversight, David brings a disciplined, data-driven approach to underwriting — prioritizing capital preservation, realistic exit strategies, and secure loan structures that protect investors while enabling borrower success.

Core Target Properties

Residential Assets: Single-Family Fix & Flip, Buy & Hold rentals, Building Lots (serviced/unserviced).

Small to Mid-Size Commercial/Multifamily: 2 to 80 units, Owner-Occupied Commercial Premises.

Sourcing & Origination Channels

- **Direct Origination:** Actively negotiating and structuring new loans directly with qualified borrowers.
- **Intermediary Networks:** Leveraging relationships with private equity, title companies, and financial advisors for pre-screened deal flow.
- **Selective Acquisition:** Purchasing high-quality, private business-purpose loans from disciplined, non-affiliated sources.

Interest Rate Spread

Projecting a 1.5% interest rate spread (e.g., Borrowers charged 12%; Investors paid 10.5%).

Ensures profitable operations while providing a competitive investor return.

Origination Fees

1% to 4% of the loan, paid by the borrower at closing.

Target Borrower Types

Builders, Small Developers, Fix and Flip Professionals, Private Individual Investors, Business Professionals.

Targeting credit-worthy borrowers with strong equity positions.

Geographic Focus

Domestic USA Only

Strategic Investment Flexibility (Diversification) & Use of Proceeds

While t**he majority** of net proceeds will be dedicated to core direct lending, the Fund reserves a strategic reserve to optimize deployment:

- **Up to 30%** of capital may be allocated to external, third-party managed secondary debt or complementary private credit/fixed income funds.
- This flexibility is a mechanism to **maintain deployment pac**e, mitigate cash drag, and achieve broader portfolio diversification across the credit spectrum when direct lending opportunities are limited.

Borrowing and Liquidity (Manager/Affiliate Advances)

In addition to capital contributions and third-party financing arrangements, the Company may obtain additional capital through loans or advances from the Manager or its Affiliates, on terms determined by the Manager in its sole discretion. Such loans may increase overall leverage beyond the stated 30% target.

The Investment Strategy and metrics shown above are for illustrative purposes only and are not guarantees of future performances. These forward-looking statements are based on market real trends, and Sponsor's calculated estimates, and they involve risks, variables and uncertainties. Sponsor makes no representation or warranty that the investment strategy will be successful, since hypothetical or simulated performance is not an indicator or assurance of future results. Please review the financials disclaimers on page 2 and PPM.



Use of Capital Strategy

Primary Allocation: High-Yield Direct Lending
The majority of the Fund's net proceeds strategically directed toward the origination and funding of short-term, high-yield mortgage loans secured by U.S. real property. This core activity includes: **Existing Properties:** Financing for established commercial and residential assets. **Development:** Funding for new construction and rehabilitation projects. **Bridge Financing:** Short-term liquidity for real estate investors and developers.

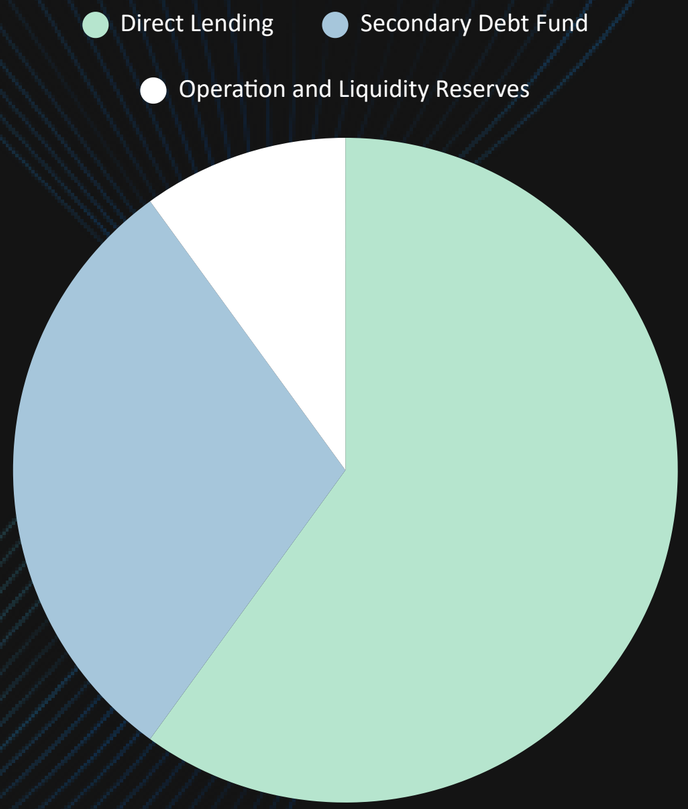
Secondary Allocation: Yield and Liquidity Optimization
A portion of the capital may be allocated to external secondary debt funds or other credit instruments when suitable direct origination volume is limited. This secondary strategy serves as a critical mechanism for:

- Yield Optimization
- Liquidity Management
- Maintaining steady performance through adaptive capital deployment to optimize risk adjusted returns.

Credit Facility and Reserves Allocation
A credit facility not exceeding 30% of Total Current Assets and designated reserve maintained for essential operational stability, covering:

- Facilitating Loan Liquidity
- Loan servicing, default management, and asset recovery costs.
- Necessary legal, accounting, and compliance expenses.
- Working capital to ensure timely investor redemptions and operational efficiency.

Redemption Policy
The Fund enforces a minimum 12-month holding period for all capital, with early redemptions subject to a 3% redemption penalty or waiver of all accrued Preferred Returns.
Investors can request redemptions twice per year by providing written notice at least 15 days prior to the redemption date.
All redemption requests are processed Max 15% of the Fund's NAV per quarter.
The manager retains discretion to approve or defer withdrawals, particularly during market stress or heavy redemption activity.
Upon eventual fund wind-down, the liquidation period may last up to 24 months, with at least six months' notice provided to investors before closing the fund.



Risk Mitigation Underwriting Discipline

Our strategy is built on conservative lending practices and strict collateral requirements, prioritizing capital preservation.

Due Diligence

Integrated Underwriting: Borrower insight meets financial rigor.

Conservative Stress-Testing: Assumptions built for capital preservation.

Holistic Decision Making: Focus on repayment and defined exit strategy.

Loan to Value (LTV)

Not to Exceed 75% of the property's market value (Master Rule).

Provides a significant equity cushion against market volatility and default.

Lien Priority

The Fund generally targets senior, first-position secured loans. Lien position may vary based on the specific transaction and is determined by the Manager.

Legal Experience

In-House Counsel Michael Hildebrandt II, Esq

Borrower Entity Review

Preparation of Loan Documentation

Provide Legal clearance for all Deals

Portfolio Exposure Limits (as % of Fund Total Assets)

Risk Area / Exposure Limit:

Individual Loan Size – Determined by the Manager based on portfolio size, diversification, collateral quality, and overall risk profile.
Individual Borrower (Total Loans) – Determined by the Manager based on portfolio size, diversification, collateral quality, and overall risk profile.
Liquidity Line of Credit – Up to 30% of Total Current Assets.

The Fund maintains diversification and exposure controls, including per-loan and per-Borrower limits. These limits may be adjusted by the Manager from time to time in its sole discretion, consistent with prevailing market conditions and the Fund's overall investment objectives.

The Fund may maintain a revolving line of credit secured by a portion of its loan portfolio to support working capital, facilitate loan originations, and manage short-term liquidity. Manager or Affiliate advances may cause overall leverage to exceed the stated 30% target

Appraisals

Third-Party Appraisals
completed on all loan positions and properties.

Maximum Allocation:

New Construction Loans - 40%*
Multi-Family Loans - 30%*
Commercial Loans - 35%*
Land Loans - 20%*

The property-type concentration limits described herein are intended to apply once the Fund has achieved a diversified asset base, which the Manager currently anticipates will occur at approximately $35 million in Assets Under Management.

Fund Leverage Rationale

The Fund may incur debt up to **30%** of its Total Current Assets, exclusively for liquidity and capital deployment efficiency.
This leverage is key to:

- Strategic Loan Funding with Timely Execution
- Ensuring liquidity to manage redemptions and investor distributions.
- Enhancing returns through low-cost borrowing against the loan pool.

Investor Return Structure & Waterfall

Full Cycle Funding has established a **Simple Preferred Return structure** designed to prioritize consistent, investor-focused performance and capital preservation.

Waterfall Structure

Fund-Paid Operating Costs:

The Fund bears responsibility for essential operating expenses, including core fund administration and accounting, legal and compliance services, entity and regulatory fees, transaction and deal-related expenses, financing costs, asset and portfolio management fees, software and technology services, limited salary and CPA support, SEC-related compliance costs, taxes at the Fund or SPV level, and any legal or foreclosure-related expenses.

Investor Preferred Return:

Investors receive annualized preferred returns as outlined below with any unpaid amounts carried forward until satisified

Distribution:

After payment of the Class A Preferred Return and Fund expenses, remaining distributable Net Cash Flow is allocated and distributed to the Class B Member

Classe	Annualized Preferred Return	Time Commitment
Class A	10.5%	12 Months

Management Fee Trigger:

1.5% of AUM
When Fund achieves $35M AUM

Distributions are targeted to be made Monthly (Distributions may be made monthly, quarterly, bi-annually, or annually, as determined by the Manager in its sole discretion).

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Investor Liquidity and Redemption Policy

As an open-ended fund, a structured redemption policy is in place to balance investor access to capital with the necessity of maintaining fund stability and liquidity from illiquid assets.

Minimum Hold Period	12 Months after Investment
Redemption Limits	Max 15% of the Fund's NAV per quarter. Allowed Twice per year March and September
Gates	If redemption requests exceed 15% of the NAV, the Fund can prorate or suspend redemptions to protect stability.
Early Redemption Penalty	To discourage premature exits, a penalty will be assessed, which may include: **3%** of the redeemed amount OR waiver of all accrued Preferred Returns
Suspension	The Fund may suspend or postpone redemptions during extraordinary events or market stress.



Operational Rigor & Governance

A Structured Approach to Compliance and Risk Mitigation



Lending carries risks.

Examples:

Errors with legal documentation, title defects, and environmental liabilities on the collateral property.

Borrower's unprofessional conduct or insolvency, or Subpar property renovations.

Shifting market values, Broader economic downturns also pose a risk protection.

Transactional Due Diligence

Rigorous Vetting Protocol

Comprehensive evaluation and due diligence for every borrower and property. We prioritize the borrower's experience and financial stability against the project's complexity.

Legal & Management Oversight

Compliance Assurance

Our in-house counsel, strictly ensures regulatory adherence and document accuracy across all transactions.

Financial Transparency

Conservative Leverage Strategy

Fund leverage is generally targeted at up to 30% of Total Current Assets for liquidity efficiency and optimal capital deployment. Manager or Affiliate advances may cause overall leverage to exceed this target









Risk Factors and Legal Considerations

Our Risk Mitigation Strategy



Market:	Professional Default Resolution	Legal Errors	Loan To Values
Real estate market volatility, potential for devaluation of collateralised	Default is infrequent among professional borrowers. A predetermined process ensures a rapid, orderly resolution, often resulting in full repayment or gain	Conflicts exist regarding the Manager's time allocation and its ability to engage in unrelated personal real estate and loan activities.	Units are unregistered, speculative securities sold in reliance upon the Rule 506(c) exemption to Accredited Investors only.
Mitigation Our loans are designed with short, 3, 6, 12 or 24-month terms to reduce exposure to negative market fluctuations. We've found our 25%–40% equity cushion has been sufficient to protect against historical market downturns. If a professional borrower can't sell a property profitably, they often opt to refinance it into a long-term rental, a common practice that repays the loan and further secures your capital.	**Mitigation** We employ rigorous borrower qualification, lending exclusively to experienced real estate and business professionals with a proven track record. Requiring significant personal or collateral equity aligns our interests, strongly incentivizing project success. All loans are backed by personal guarantees, ensuring a default seriously impacts the borrower's future business.	**Mitigation** We implement strong legal safeguards by conducting thorough due diligence on all borrower structures and obligations. Our in-house legal oversight by attorney Michael Hildebrandt II, Esq (who has over Over 20 years of real estate experience, including extensive foreclose and litigation experience) ensures meticulously prepared and legally enforceable loan documents, minimizing risks to enforceability.	**Mitigation** We enforce a strict 75% maximum Loan-to-Value (LTV) ratio, supported by independent third-party appraisals, to protect your investment. This combination of strong real estate collateral and significant borrower equity provides a substantial buffer against losses. Experience shows borrowers are more likely to sell than default, improving capital recovery. Holdback: Holdback of funds for renovation costs adds an additional layer of risk mitigation.



Performance & Market Outlook

Strategic AUM Expansion

Full Cycle Funding Income Fund targets scaling assets under management from approximately $10 million in Year 1 to approximately $75 million by Year 5, through disciplined loan origination, selective acquisition, and reinvestment of Class B proceeds.

Private Credit Opportunity

Global private credit markets are expected to exceed $2 trillion by 2026 as demand for alternative financing grows amid tighter bank lending standards.

Borrower Demand Tailwinds

Restrictive banking conditions and continued real estate activity have increased demand for private bridge and construction financing, supporting a strong pipeline of lending opportunities for the Fund.

Investment Edge

The Fund seeks to exploit the gap between borrower demand and institutional capital by originating short-term, senior-secured loans backed by real estate, aiming to provide attractive yield with controlled downside risk

Proven Leadership:

Experience, Legal Acumen, and Operations



David Shaw

Fund Manager

David Shaw brings over 25 years of real estate experience across construction management, private lending, and portfolio development. As Chair of the Loan Committee, he oversees lending strategy, underwriting standards, and portfolio performance.

A seasoned investor and entrepreneur, David has originated over $15 million in private loans and funded more than 750 real estate projects across Florida and the Southeast. He has also brokered over 1,200 turnkey investment properties for U.S. and international clients.

David's track record of disciplined lending, market insight, and hands-on project execution positions him to lead Full Cycle Funding with strategic precision and investor alignment. (Other Credits include: Host of "Burn Your Boats" podcast; founder of Torcana and West Florida Invest.)



Michael Hildebrandt II, Esq.

In-House Counsel

Attorney Michael Hildebrandt II, Esq., serves as in-house counsel and head of risk management, ensuring all transactions meet regulatory, legal, and compliance standards. A JD/MBA graduate from Stetson University, he brings over 20 years of real estate law experience including foreclosures, title actions, construction defects, and complex financing structures.

As founder of The Hildebrandt Law Firm, he has represented institutional and private clients in hundreds of real estate and financial cases. Michael previously served as an Assistant State Attorney and in-house counsel for a major national financial institution, managing over $1.5 million in monthly real estate lease operations.

His expertise in regulatory compliance, lien enforcement, and risk mitigation ensures the Fund's capital is deployed securely, with full legal oversight across every transaction.



Sheena Berry

Asset Management & Investor Relations

Sheena Berry oversees asset management, investor relations, and transaction coordination for Full Cycle Funding. With over 17 years of operational and client service experience, she ensures seamless loan administration from contract to close.

Sheena has coordinated over $14 million in business-purpose loan transactions, managing 150+ new construction closings, 70+ renovation projects, and 74 private lender transactions while maintaining rigorous documentation and investor communication standards.

Her operational leadership ensures transparency, compliance, and investor satisfaction throughout the Fund's lifecycle, fostering the trust and responsiveness that define Full Cycle Funding's service model.

Contact & Next Steps

Full Cycle Funding Income Fund LLC

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Join us in building secure, passive income through asset-backed lending.