



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 **9.25%-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 9.25%-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	9.25 %-10.5% Simple Preferred Return (Annualized)
Units Offered	Fund Duration	ASSETS UNDER MANAGEMENT (AUM) TARGETS	
Proportional ownership via redeemable units (\$1,000 per unit)	Open-ended; remains operational until Manager determines a wind-down date.	Year 1 Target: \$10 Million in AUM Year 3 Projection: \$20 Million in AUM Year 5 Projection: \$45 Million+ in AUM	

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Investment Strategy

9.25%-10.5%

PROJECTED ANNUAL RETURN

\$45M

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 1.75% - 2.5% interest rate spread (e.g., Borrowers charged 12%; Investors paid 9.25%-10.5%).

Ensures profitable operations while providing a competitive investor return.

Origination Fees

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

Generates additional income stream and offsets Fund costs.

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 up to **70%** 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 pace**, mitigate cash drag, and achieve broader portfolio diversification across the credit spectrum when direct lending opportunities are limited.

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% NAV 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

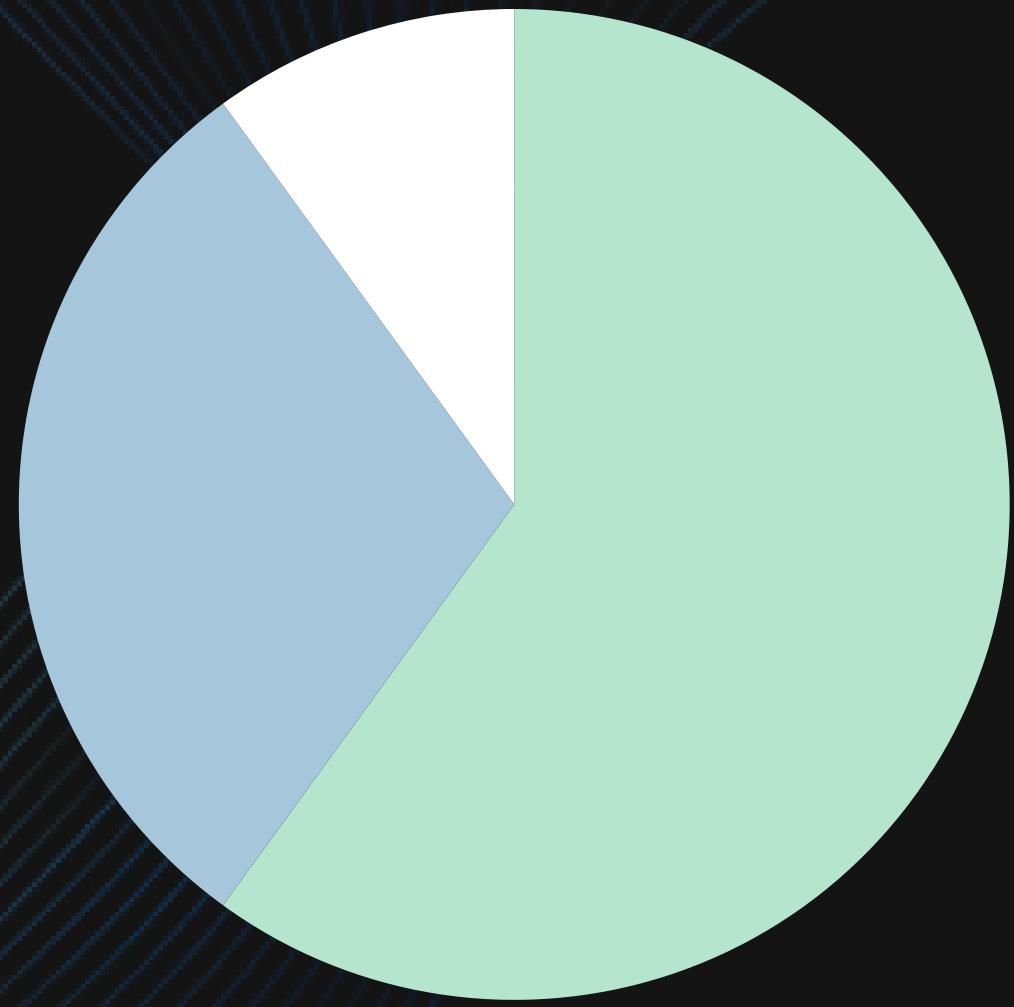
The Fund enforces a minimum 12-month holding period for all capital, with early redemptions subject to a **3% fee**.

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. Requests are prorated and have a 60-day deployment period (30 days for deployment + 30 days to begin interest).

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.

- Direct Lending
- Secondary Debt Fund
- Operation and Liquidity Reserves



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

Loans will be a **Senior 1st Position** secured loan.

Second Lien Position origination only exist when the fund is in the Prior 1st position.

Maximizes recovery priority in the event of foreclosure.

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 Current Assets)

Risk Area / Exposure Limit:

Individual *Loan Size - 20%

Individual Borrower (*Total Loans) - 20%

Liquidity Line of Credit - 30%

-The Fund maintains a revolving Line of Credit, secured by a portion of its loan portfolio, to support working capital, facilitate new loan originations, and manage short-term liquidity—acknowledging that pledged assets may be subject to liquidation in the event of a collateral call.

*The borrower 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. Prior to this hurdle the percentiles do not function effectively.

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.

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 borrower 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.

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 satisfied

Manager Distribution:

After the preferred return is satisfied, the Manager receives the remaining distributable profits.

Classes	Annualized Preferred Return	Time Commitment	Management Fee Trigger:
Class A1	9.25%	12 Months	1.5% of AUM When Fund achieves \$35M AUM
Class A2	9.75%	24 Months	Distributions are targeted to be made Monthly (or Quarterly to reduce administrative burden).
Class A3	10.5%	36 Months	

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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.

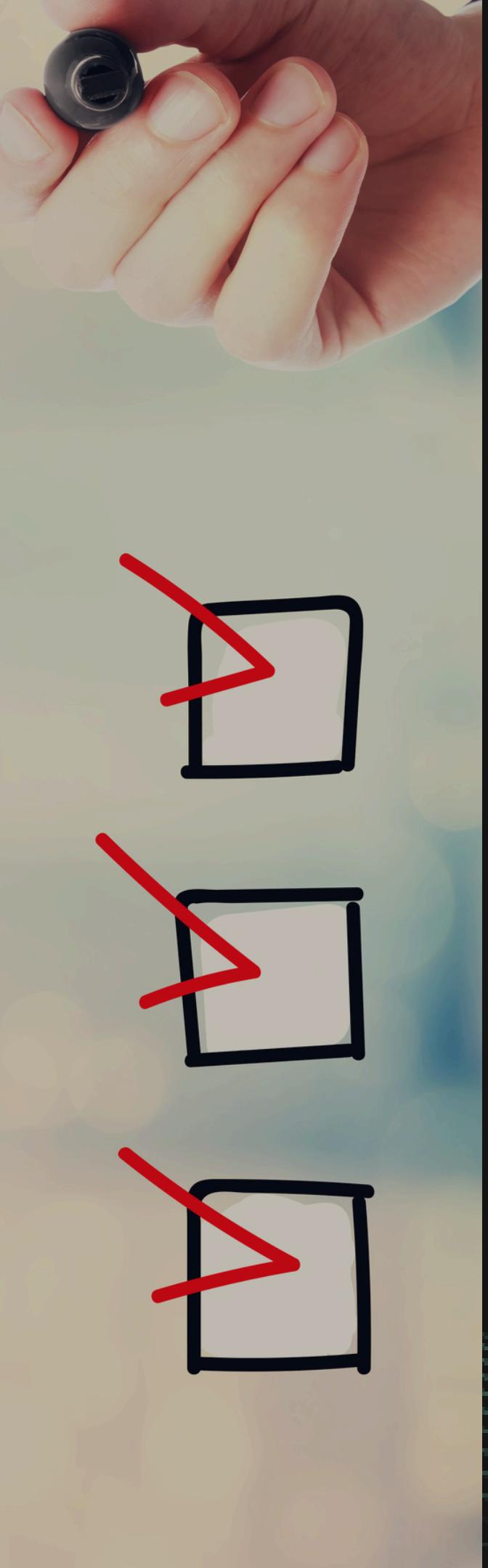
Early Redemption Penalty

To discourage premature exits, a penalty will be assessed, which may include: A flat fee of **3%** of the redeemed amount OR a Loss of Interest accrued for a specific period.

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

Capped Leverage Strategy
Fund leverage is conservatively capped at 30% of total assets and used only for liquidity efficiency and optimal capital deployment.



Risk Factors and Legal Considerations

Our Risk Mitigation Strategy



Market:

Real estate market volatility, potential for devaluation of collateralised

Professional Default Resolution

Default is infrequent among professional borrowers. A predetermined process ensures a rapid, orderly resolution, often resulting in full repayment or gain

Legal Errors

Conflicts exist regarding the Manager's time allocation and its ability to engage in unrelated personal real estate and loan activities.

Loan To Values

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 Co-General Partnership with attorney Michael Hildebrandt II, Esq (who has 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 \$45 million by Year 5, through disciplined loan origination, selective acquisition, and reinvestment of General Partner 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 & General Partner

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 & General Partner

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 & General Partner

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

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