

Walton Street Capital, L.L.C.

Part 2A of Form ADV

The Brochure

Address	900 North Michigan Avenue Suite 1900 Chicago, Illinois 60611
Telephone	(312) 915-2800
Website	www.waltonst.com

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Item 1. Cover Page

This investment adviser brochure (“Brochure”) provides information about the qualifications and business practices of Walton Street Capital, L.L.C. (“Walton Street”). If you have any questions about the contents of this Brochure, please contact us at 312-915-2800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Walton Street is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information about Walton Street is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 Material Changes

The following summarizes certain changes made to this Form ADV Part 2, which may be considered material to advisory clients, since the last Brochure dated September 30, 2011:

Items 4 and 5 have been updated to reflect the structure and terms applicable to private investment funds (“Funds”) offered by Walton Street since the date of the last Brochure; and

Item 10 has been updated in light of recent SEC guidance related to the registration status of affiliates of a registered investment adviser.

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Item 4 Advisory Business

Walton Street Capital, L.L.C. was founded in 1994 and is primarily owned by Walton Capital Advisors, L.L.C. As of December 31, 2011, affiliates of Walton Street managed \$9,930,900,000 on a discretionary basis, which includes each fund’s net asset value, share of debt and unfunded commitments. Affiliates of Walton Street manage assets on behalf of approximately 23 clients.

Walton Street provides discretionary investment advisory services to the Funds, which primarily invest in equity and debt interests in real estate-related assets and real estate operating companies. Walton Street has affiliated entities that serve as the General Partner or investment adviser, as applicable, to each respective Fund, and such affiliated entities may be deemed registered under

the Advisers Act pursuant to Walton Street Capital, L.L.C.'s registration in accordance with SEC guidance. This Brochure also describes the business practices of each such General Partner and investment adviser, which operate as a single advisory business together with Walton Street. Each Fund generally will be managed by its respective General Partner and/or investment adviser, although for certain non-U.S. advisory structures, a non-U.S. Walton Street affiliate acts as investment adviser and provides non-discretionary investment advice to an investment fund in a non-U.S. jurisdiction, and the relevant Fund's board of directors makes all investment decisions. For ease of reference, Walton Street and any General Partner or investment adviser to a Fund are referred to, collectively, throughout this Brochure as "Walton Street."

Walton Street is responsible for identifying investment opportunities for the Funds, as well as facilitating the acquisition, monitoring, and disposition of each of the Funds' investments. Walton Street provides investment advice to the Funds (not to Fund investors), but feeder Funds may be created for investors with specific mandates. Walton Street tailors its advisory services to the individual needs of each Fund, in accordance with the investment objectives, strategies and limitations (if any) described in each Fund's respective offering documents and limited partnership agreement (each, a "Limited Partnership Agreement").

The Funds are organized as Delaware limited partnerships, Delaware limited liability companies or Cayman Islands exempted limited partnerships. Certain Funds are organized into a structure comprised of parallel funds, which generally invest in assets side-by-side on a pro-rata basis (based upon capital commitments) with other Funds. Generally parallel Funds are established to accommodate specific tax issues impacting certain types of investors. In order to facilitate certain investments, one of the Funds intends to invest in a Singapore private limited company that, in turn, intends to invest in special purpose vehicles and/or operating companies in Singapore and India.

Sidecars and Co-Investment Opportunities

Walton Street may provide to investors that make a specified minimum capital commitment the right to participate in a separate pooled investment vehicle ("Sidecar") for the purpose of participating in certain co-investment opportunities with a particular Fund. The minimum capital commitment amount required to participate in a Sidecar may vary, but is generally \$50 million. Investors may make a commitment to a Sidecar, when made available, the amount of which will be determined in Walton Street's discretion.

The Limited Partnership Agreements for certain Funds provide for the terms by which the partners may be allowed to co-invest with that Fund in real estate assets. Those terms generally provide investors that have made specified minimum commitments (which vary by Fund but range from \$20 million to \$100 million) and other investors in certain cases ("Co-Investment Partners") with the right to invest directly in an asset that, because of investment limitations, lack of available capital, applicable law or Fund objectives (such as diversification requirements), limit the amount the Fund would otherwise invest in such investment opportunities as determined in good faith by Walton Street in its sole discretion. To the extent Walton Street elects to offer any opportunity to co-invest with a Fund to the partners of that Fund (including affiliates of Walton

Street), Walton Street must first offer any such co-investment opportunities to such persons pursuant to the terms of such Fund's Limited Partnership Agreement.

Joint Investments with other Parties

Walton Street may invest assets of a Fund in other limited partnerships or pooled investment vehicles that specialize in particular real estate investments. Under certain circumstances, affiliates of a Fund may also provide services, such as administrative, accounting or management services, to such limited partnerships or pooled investment vehicles.

Item 5 Fees and Compensation

Fees are determined and assessed in a manner specific to each Fund. For the specific fees charged by any specific Fund, please refer to the offering documents and Limited Partnership Agreement for such Fund. The fees paid by the Funds are typically not negotiable. Certain fees may be deferred or waived from time to time at the discretion of Walton Street.

1. Management Fees

Certain Funds pay distribution fees out of operating cash flows, quarterly in arrears, not to exceed 0.50% of the gross asset costs, on an annual aggregate basis. This fee is paid out of distributable proceeds. Certain other Funds pay management fees, quarterly in arrears, in an amount equal to 0.375% of the average daily balance of the investors' net invested capital for such quarter, or 1.50% per annum. Investors in a Sidecar pay management fees, quarterly in arrears, of 0.1875%, or 0.75% per annum. Walton Street India Fund I generally anticipates paying management fees, quarterly in arrears (a) during its investment period, in an amount equal to 0.375% per quarter of undrawn capital commitments plus 0.50% per quarter of capital commitments that have been called by the relevant General Partner and (b) thereafter, in an amount equal to 0.50% of the average daily balance of the investors' net invested capital for such quarter, or 2.00% per annum.

The Funds generally utilize a revolving line of credit, secured by the limited partners' commitments, during the initial period of each respective Fund. In accordance with the Funds' Limited Partnership Agreements, the line of credit provides liquidity to fund acquisitions, as well as providing working capital. Initial capital calls from the limited partners are generally made after the final close of the Fund, which then enables Walton Street to call capital on a pro-rata basis based on final capital commitments, as opposed to calling capital based on interim commitments that would need to be reconciled at a later date based on actual final commitments. During this period, the line of credit generally is utilized in lieu of making capital calls to the limited partners. Certain of the Funds calculate asset management fees based on Net Invested Capital (as defined in each respective Limited Partnership Agreement), which is comprised of the limited partners' capital contributions and the outstanding line of credit balance. There may be instances whereby the line of credit has been drawn to pay for working capital items, including asset management fees and acquisition fees, which in turn may increase the fees due based on the Net Invested Capital computation described above. However, there is no difference (either an increase or decrease) in the computation of Net Invested Capital whether the line of credit is used,

or whether the capital is called from the limited partners.

2. Acquisition Fees

Most of the Funds also pay to Walton Street an acquisition fee that is 1% of the gross asset cost of all investments made by each respective Fund. Investors of less than \$5 million in certain funds are charged acquisition fees of 1.50% with respect to their commitments. For purposes of calculating the acquisition fees, Walton Street includes all costs associated with acquiring the asset as determined in good faith by Walton Street. These costs typically include, but are not limited to, the following: purchase price of the property, base building additions, tenant improvement additions and other capital expenditures, indebtedness and liabilities, financing fees, transfer taxes, and other adjustments. Investors in a Sidecar pay reduced acquisition fees of 0.50%.

3. Oversight Fees

Investors in certain funds whose commitments are less than \$5 million are charged directly, quarterly in arrears, an oversight fee equal to 0.125% of the average daily balance of such investor's net invested capital for such quarter. The oversight fees are deducted from distributable proceeds.

4. Incentive Compensation

Walton Street receives a portion of the distribution of current income and proceeds as incentive compensation, which is deducted from a Fund's distributable proceeds. The incentive compensation generally will not exceed 20% of the amount of profits otherwise disburseable to each limited partner. Each Fund has established in its Limited Partnership Agreement a distribution waterfall describing how distributions will be paid to the underlying investors and Walton Street. Investors receive a preferential return on their investments prior to the distribution of any incentive compensation paid to Walton Street. The preferential return varies for each Fund, but is generally 9% to 11% per annum.

For certain funds, incentive compensation is charged on a back-end basis after all contributed capital and the preferred return is disseminated to investors. For certain other Funds, Walton Street is entitled to receive incentive compensation on a deal-by-deal basis, in some instances subject to the subordination of 50% of its incentive compensation until the investors have fully received the return of their contributed capital and preferred return. As such, for certain Funds Walton Street is subject to clawback provisions and is obligated to return to the limited partners any incentive compensation received by Walton Street if such compensation is greater than 20% of the profits (subject to the return of invested capital and preferred return thereon) over the course of the respective Fund's life. The distribution waterfalls are further described in the governing documents for each Fund. Walton Street's participation in each Fund's profits could create an incentive for Walton Street to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of any incentive compensation.

The Funds are organized as closed-end investment vehicles. An investor in the Funds may not

withdraw, redeem, or transfer interests in the Funds without the consent of Walton Street.

Walton Street generally does not reinvest capital of a Fund in new assets (*i.e.*, new acquisitions) other than during the commitment period for such Fund. However, a Fund's distributable net proceeds may be reinvested in existing investments of such Fund and used for operating expenses of such Fund.

Performance-based compensation received by Walton Street is structured to comply with Rule 205-3 under the Advisers Act, to the extent applicable.

5. Accounting and Reporting Fees

For certain Funds, Walton Street or its affiliates will provide accounting, legal and reporting functions that would otherwise be performed by third parties. In such event, a Fund will reimburse Walton Street at cost for such services including "employment costs" and related overhead expenses allocated thereto as reasonably determined Walton Street based on the time expended by the persons who perform such services, provided that such reimbursements shall not exceed the amount that would be otherwise payable by a Fund if such services were provided by third parties on an arms' length basis. The overhead expenses may include all non-payroll expenses, but generally exclude expenses that are not attributable to the accounting, legal, and reporting functions. Such cost reimbursements are reported to the advisory boards ("Advisory Boards") for applicable Funds. Please see the section titled "Advisory Board" under Item 12 for additional information regarding the Funds' Advisory Boards.

6. Organizational and Offering Fees and Expenses

The Funds will bear all organizational and offering fees and expenses incurred in the formation of the Funds, up to a specified amount, as disclosed in the offering documents of each Fund. The Funds pay all third-party costs and expenses relating to the Fund business, including originating, evaluating, acquiring, owning, hedging, financing, operating, reviewing, managing and disposing of any Fund asset or potential Fund asset (and shall reimburse Walton Street for any such costs and expenses paid or incurred by Walton Street and its affiliated persons), including, without limitation, fees and expenses of legal counsel, accountants, appraisers, investment bankers and other third party consultants and advisors, premiums for insurance protecting the Fund, the General Partner and the Advisory Board, travel expenses of Walton Street and its affiliates and the members of the Advisory Board, any out-of-pocket expenses incurred by Walton Street and its affiliates in connection with potential investments and any costs and expenses incurred in connection with any potential purchase of an asset by the Fund that is not purchased by the Fund, unless such asset is thereafter purchased by Walton Street. Please see the section titled "Advisory Board" under Item 12 for additional information regarding the Funds' Advisory Boards.

Please see the section titled "Brokerage Practices" under Item 12 for a complete description of Walton Street's trading practices.

7. Travel Expenses

The Funds will be responsible for incurring the cost of travel expenses related to Fund business. Such expenses include Walton Street and its affiliated persons' coach or economy class airfare for domestic travel and for international destinations or other longer duration flights, business or first class airfare. Travel expenses for Walton Street and its affiliated persons will occasionally include expenses for private transportation, including chartered airfare, in the event that the use of commercial airlines is not reasonable.

8. Joint Investments with other Parties

As mentioned in the section titled "Advisory Business" under Item 4 above, Walton Street may invest assets of such Fund in other limited partnerships or pooled investment vehicles that specialize in particular real estate investments. Through these types of investments, investors may bear two layers of management fees which include a fee paid to the sponsor of the vehicle and a management fee to Walton Street. Under certain circumstances, Walton Street or its affiliates may also provide services, such as administrative, accounting, or management services, to such limited partnerships or pooled investment vehicles. The fees for these services shall be payable entirely to Walton Street in accordance with each Fund's offering documents. Any carried interest, however, shall be payable entirely to the Fund.

9. Side Letters

Walton Street will enter into side letter or other similar arrangements with certain Fund investors that have the effect of establishing or otherwise benefiting such investor in a manner more favorable than the rights and benefits described in such Fund's offering documents and agreements. Rights and benefits that are more favorable in any material respect may be afforded to a limited partner based upon its commitment level, and the same favorable rights and benefits may be extended to other limited partners in accordance with each respective Fund's Limited Partnership Agreement. These rights and benefits include most favored nation status, advisory board designations, capacity and co-investment opportunities, investment restrictions, reporting requirements, tax considerations, and other terms and conditions.

Item 6 Performance-Based Fees and Side-by-Side Management

Please see the section titled "Incentive Compensation" under Item 5 above for a complete description of the performance based fees allocable to the Funds' General Partners. Walton Street is entitled to receive a portion of the distribution of current income and proceeds as incentive compensation as set forth in each Fund's Limited Partnership Agreement. Therefore, Walton Street does not have conflicts of interest related to the side-by-side management of accounts with different fee structures.

Item 7 Types of Clients

Walton Street provides investment advisory services to the Funds and certain other investment vehicles described herein, which invest in equity and debt interests in real estate related assets and real estate operating companies. Investors in the Funds may include, but are not limited to, pension plans, endowments, foreign institutions, corporate and business entities, endowments and foundations, trusts, and high net worth individuals. The Funds have minimum capital commitments for investors, as specified in the offering documents for each respective Fund, which are negotiable by Walton Street. Each investor is required to meet certain suitability qualifications, such as being an “accredited investor” or a “qualified purchaser” within the meaning set forth under the federal securities laws.

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

Investment Analysis

Walton Street identifies potential investment opportunities for the Funds through a variety of sources and bases a portion of its investment analyses on information obtained from working with industry professionals such as consultations with operating partners, joint venture partners, property management and leasing professionals, lenders, brokers, and other professionals within the real estate sector.

The screening process for potential investments involves several steps, which vary depending on the type of asset being proposed for acquisition. Generally a written summary is prepared describing the due diligence conducted on the proposed acquisition, and this summary is provided to the Investment Committee. The Investment Committee is comprised of the founders of the firm including Neil G. Bluhm, Ira J. Schulman, Eric C. Mogentale, Jeffrey S. Quicksilver, and K. Jay Weaver.

The Investment Committee reviews and makes all of the investment decisions for the Funds. As part of this process, the Investment Committee reviews the allocation of limited investment opportunities among the Funds. It is unusual for an allocation to be appropriate for more than one Fund. If this occurs, the Investment Committee allocates a portion of the investment to each appropriate Fund. The allocation decisions will be based on investment considerations regarding diversification, size of the position, and available committed capital. See Item 12, Brokerage Practices, Allocation of Investment Opportunities.

Investment Strategies

Walton Street provides advice to the Funds to invest in equity and debt interests in real estate related assets and companies. The Funds are generally investing their assets in limited partnerships, private real estate investment trusts (“REITs”), and limited liability companies that were structured for the purpose of holding the underlying real estate assets (*i.e.*, physical

property). Walton Street may participate in joint ventures with unaffiliated third party entities in certain real estate transactions. Walton Street may also invest in limited partnerships or other pooled investment vehicles that specialize in real estate related assets including loan origination, loan servicing, and collateralized debt obligations (“CDOs”).

Risk of Loss

Investors should also refer to the risks described in the private placement memorandum and any supplements thereto for each respective Fund.

Investments in the Funds involve a significant degree of risk and are generally illiquid. Similarly, the investments made by the Funds are risky and illiquid. A Fund investor should not invest in a Fund unless the investor is able to withstand a total loss of its investment in the Fund. Even if the investments of a particular Fund are successful, they may not produce a realized return to Fund investors for a period of years. There is no assurance that any Fund will achieve its investment objective. Investing in securities and other investments involves a risk of loss that the Funds and Fund investors should be prepared to bear.

Walton Street will cause the Funds to use leverage from time to time, in the form of debt financing to acquire and refinance investments. Each Fund has established a limit with regard to the amount of leverage that can be used, as described in the offering documents for such Fund. Debt service requirements may deplete or restrict a Fund’s cash flows. Further, relatively small changes in the overall value of Fund investments may have a magnified impact on the equity value of the Fund. If a particular Fund investment was unable to generate sufficient cash flow to meet principal and interest payments on the indebtedness incurred by the Fund relative to that investment, the value of the Fund’s investment in such portfolio investment would be significantly reduced or even eliminated. In addition, the amount of debt financing may restrict the amount of funds available for distribution to Fund investors. Debt financing may be unsecured and subordinated to substantial amounts of senior indebtedness and Fund investments may not be protected by financial covenants.

Walton Street may invest assets of the Funds in fixed income securities including notes, repurchase agreements, and publicly traded convertible debt securities (*e.g.*, convertible bonds, including high-yield convertible bonds). Walton Street also actively reviews opportunities to invest in debt and loan portfolios. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are subject to greater market fluctuations as a result of changes in interest rates over time. Fixed income securities are also subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to risks associated with market perception of the creditworthiness of the issuer and general market liquidity.

Walton Street may participate in currency and interest rate hedging strategies on behalf of the Funds. The Funds may enter into treasury locks, currency options, forward contracts, future contracts, swaps, caps, and collars. Investing in these instruments can increase the risk to Funds.

Generally, only a small amount of the full value of these instruments (the “notional amount”) is necessary to enter into these transactions. As such, a change in the value of the instrument will magnify the amount of gains and losses experienced. Such hedging arrangements may also cause the Funds to be exposed to the creditworthiness of the selected hedging provider(s) from time to time. If the hedging arrangements are terminated at any time in accordance with their terms, the Fund may be liable to make a payment to or receive a payment from the hedging provider in connection with such termination reflecting the market value of the transactions comprising such hedging arrangements. If a Fund is required to make such a payment, it may be required to liquidate investments to do so. Walton Street may also temporarily invest the Funds’ assets in money market funds and/or U.S. Treasury securities for cash management purposes.

While Walton Street intends to acquire and manage diversified portfolios of properties on behalf of the Funds, it may not be able to achieve that goal. While diversification is an objective of each Fund, there is no assurance as to the degree of diversification that will actually be achieved in such Fund’s investments, either by geographic region, concentration, or asset type. A Fund may participate in a limited number of investments and as a consequence, the aggregate return of a Fund may be materially and adversely affected by the unfavorable performance of a single investment.

Walton Street’s Investment Committee will meet on a periodic basis, at least monthly, to review all prospective investments, existing holdings, potential dispositions, material events regarding existing investments, and to assess real estate market activities. All members of the Investment Committee will vote, and unanimous approval of all members, is required for the acquisition or disposition of an asset for all of the Funds.

Item 9 Disciplinary Information

Walton Street and its employees have not been involved in any legal or disciplinary events in the past 10 years that Walton Street believes would be material to a client’s evaluation of Walton Street’s advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

See the section titled “Advisory Business” under Item 4 above for a description of Walton Street’s role in providing advisory services to the Funds.

Walton Street Capital, L.L.C. is affiliated with other Walton Street investment advisers registered with the SEC under the Advisers Act pursuant to Walton Street’s registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Walton Street Capital, L.L.C. and serve as managers or general partners of private investment funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Neil Bluhm, a managing principal of Walton Street, serves as President of JMB Realty

Corporation (“JMB”). Until December 31, 2010, Mr. Bluhm owned a minority interest in JMB. As of that date, the interest was transferred to a family trust. In addition, Mr. Bluhm owns a minority interest in JMB Insurance Agency, Inc. (“JMB Insurance”) which is expected to provide insurance brokerage services to the Funds for compensation not to exceed market rates. JMB owns minority interests in JMB Financial Advisors, LLC (“JMB Financial”), which may from time to time provide financing services to the Funds for compensation not to exceed market rates, and in 900 Financial Management Services, LLC (“900 FMS”, and together with JMB, JMB Insurance and JMB Financial are collectively referred to as the “JMB Entities”), which may from time to time provide payroll, accounts payable, expense processing, cash management, reconciliation and administrative services to the Funds for compensation not to exceed market rates. A conflict could be presumed to exist between Walton Street and the JMB Entities because Mr. Bluhm or the family trust that owns interest in JMB could personally benefit if the Funds engage the services of the JMB Entities. The process for addressing any such potential conflicts is described below.

Although it is not currently expected that JMB will engage in new real estate investment ventures unrelated to its existing owned assets, JMB and its affiliates are presently engaged directly or through real estate investment partnerships and other entities in real estate investment and development. In the event of a conflict between JMB and Walton Street (or a Fund), Mr. Bluhm would be required to act in a manner consistent with his fiduciary duties to both JMB and Walton Street, which may require Mr. Bluhm to recuse himself from dealings between Walton Street and JMB. Neither Walton Street nor Mr. Bluhm anticipates that any such conflicts will arise.

Walton Street is required to obtain approval and/or report the amount of insurance paid through JMB Insurance to each respective Fund’s Advisory Board, which is composed of representatives of investors in such Fund not affiliated with Walton Street. (Please see the section titled “Advisory Board” under Item 12 below for additional information regarding the Funds’ Advisory Boards.) In addition, Walton Street generally obtains representation from a third party consultant to seek to ensure that JMB Insurance’s services are rendered at market rates. JMB Insurance also provides human resource services to Walton Street.

The Funds may engage JMB Financial to provide financing services for compensation not to exceed market rates and 900 FMS to provide payroll, accounts payable, expense processing, cash management, reconciliation and administrative services for compensation not to exceed market rates, and in each instance the transactions must be approved and/or reported to each respective Fund’s Advisory Board. Walton Street also may engage 900 FMS for similar services. The Funds and Walton Street each pay for their respective portion of the services rendered by 900 FMS and such fees are not materially different for similar services.

Mr. Bluhm also has a family office, the entities of which are collectively referred to herein as “LAMB.” LAMB has diversified direct and indirect holdings in equity and debt investments in publicly held entities, private fund investments, real estate interests and interests in various operating companies, including gaming entities. LAMB is an active investor in various gaming developments through Gaming Entities (as defined below) and may exercise control and/or take active positions in certain other types of investments. Mr. Bluhm is the manager and oversees all LAMB investments, but all investments made by LAMB are primarily owned by trusts, the beneficiaries of which are Mr. Bluhm’s children and grandchildren (the “Bluhm Trusts”).

LAMB is a significant investor in a hedge fund managed by DSC Advisors, L.P. (“DSC”), the manager of which is owned primarily by Mr. Bluhm’s son, Andrew Bluhm, who is also DSC’s principal. The entities managed by DSC primarily invest in long and short equity and debt positions of publicly-traded companies.

It is unlikely that investments suitable for LAMB or DSC would also be suitable for the Funds since they have different investment objectives and limitations. However, a potential conflict could arise because Mr. Bluhm may have the potential to personally benefit or cause his children or grandchildren to benefit from investments made by LAMB or DSC in the unlikely event that such investments would have been appropriate for the Funds. This potential conflict is addressed through Walton Street’s policies and procedures and governing documents for the Funds, which require that Walton Street and each of its principals present any investment opportunities suitable for investment for one of the Funds to Walton Street’s Investment Committee and that, subject to the Investment Committee’s determination and any investment limitation in the Fund documents, each such investment be made for the account of that Fund. The compliance staff of each of Walton Street, LAMB and DSC meet periodically. The goal of such meetings is to seek to identify and mitigate potential conflicts of interest among Walton Street, LAMB and DSC.

Employees of Walton Street may have family members and/or friends that are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with Walton Street and/or the Funds. Examples of such relationships may include entities that are the Fund’s investors, joint venture partners, operating partners, real estate or securities brokers, lenders, and/or tenants in buildings owned by the Funds. Employees are required to report certain relationships to the Compliance Department, which monitors such relationships and any related conflicts.

Certain Funds own a significant interest in Mesa West Capital, L.L.C. (“Mesa West”) and have committed capital to certain of Mesa West’s private funds. In order to properly oversee the Funds’ investments in Mesa West, a representative of Walton Street has been appointed to Mesa West’s Investment Committee and certain Walton Street personnel attend Mesa West’s periodic asset review meetings. The private funds sponsored by Mesa West have a different primary investment focus than the Funds. As such, Walton Street does not expect to pursue significant investments or investment opportunities in the same real estate related assets or real estate operating companies as the Mesa West private funds, however, it is possible from time to time that such situations could arise, which could result in a potential conflict or investments in the same assets (and in different instruments which could have different interests). Each of Mesa West and Walton Street have adopted procedures to attempt to identify and mitigate conflicts arising from such situations, and, in certain circumstances, Walton Street personnel may not participate in Mesa West Investment Committee determinations or have access to Mesa West investment recommendations.

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

Code of Ethics

Walton Street has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act.

This Rule requires Walton Street to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of our employees. Our Code of Ethics contains policies and procedures that require the following: (i) pre-clearance before purchasing real estate related securities, or any securities in initial public offerings or private placements; (ii) periodic reporting of employees' personal securities transactions and holdings; and (iii) prompt internal reporting of any violations of the Code of Ethics.

Walton Street will provide a copy of our Code of Ethics to clients or prospective clients, upon request. Please contact Allison McDowell by telephone at (312) 915-2808 should you have any questions concerning our Code of Ethics or wish to obtain a copy.

Investments in Gaming Entities

Mr. Bluhm and the Bluhm Trusts own interests in, and control and/or manage entities that currently or in the future will own, develop, operate, oversee or manage gaming facilities, including other mixed-use properties related to such gaming facilities (collectively, such existing entities and any such entities that may be formed in the future, the "Gaming Entities"). None of the Gaming Entities has any principal, director, officer, or employee other than Mr. Bluhm who is engaged in the Funds' or Walton Street's business or operations. Neither Mr. Bluhm nor any of the Gaming Entities are obligated to present any opportunities to own, develop or manage gaming facilities (including any related properties to such gaming facilities) to the Funds. Certain of the Funds and Mr. Bluhm's related Gaming Entities expect to pursue, on an independent basis, investment opportunities within the gaming industry. Walton Street's other principals (related persons) may invest personally on a passive basis in investments made by the Gaming Entities. In the future, if a Fund acquires additional interests in other gaming facilities or other properties related to gaming facilities, such Fund may, but will be under no obligation to, venture with one or more of the Gaming Entities or may engage one or more of the Gaming Entities to manage such facility or property on terms that Walton Street determines in good faith are not less favorable than those reasonably available from other third-party operators of gaming facilities and related properties within the same geographic region. Any such transaction engaged in with a Gaming Entity will be disclosed to the Advisory Board of the applicable Fund.

In 2008, entities wholly-owned by certain Funds, entities controlled by the Bluhm Trusts, and certain employees of entities controlled by the Bluhm Trusts formed a joint venture with certain third-party investors to purchase the majority of a casino project in Pittsburg, Pennsylvania. These parties also control an entity that was established to oversee the management (the "Management Entity") of the casino's daily operations. Such Funds hold the majority of the votes

in the Management Entity. The Management Entity will hire third parties to perform the daily operations at the casino.

Co-Investment Opportunities

Employees and/or related persons of Walton Street may participate in co-investment entities that invest in real estate assets, which are also invested in by the Fund(s). The Limited Partnership Agreements for certain Funds provide for the terms by which the partners may be allowed to co-invest with that Fund in real estate assets. Those terms generally provide that to the extent Walton Street elects to offer any opportunity to co-invest with a Fund to the partners of that Fund (including affiliates of Walton Street), Walton Street must first offer any such co-investment opportunities to such persons pursuant to the terms of such Fund's Limited Partnership Agreement. The Fund Limited Partnership Agreements generally provide that a co-investment opportunity is one Walton Street elects to offer to such persons because investment limitations, lack of available capital, applicable law or Fund objectives (such as diversification requirements) limit the amount the Fund would otherwise invest in such investment opportunities as determined in good faith by Walton Street in its sole discretion.

Investments in Management or Service Companies

A Fund investment, or an investment by the principals of Walton Street, may consist of an interest in a property management or other service company. A Fund may engage such property management or service company to provide services on behalf of a related Fund investment on terms that Walton Street determines in good faith are not less favorable than those reasonably available from other third-party property management or other service companies within the same geographic region. Any such transaction will be disclosed to the Advisory Board of such Fund.

For example, certain Funds hold an interest in Century Golf Partners Management, L.P., a golf management company that provides services for the golf related investments held by such Funds and certain other Funds that may acquire any golf related assets. Certain principals of Walton Street hold an interest in Fusion India Project Management Private Limited ("Fusion"), a Bangalore-based project management company serving commercial and residential developments, hospitality projects, and corporate clients across India. To the extent that a Fund makes a development investment in India, such Fund may seek to use the services of Fusion, on terms that Walton Street determines in good faith are not less favorable than those reasonably available from other similarly situated third-party project management companies in the region, and its development partners may be responsible for contracting with Fusion on an arms-length basis as part of their own project delivery obligations.

Certain of the Funds, together with a Sidecar and an affiliate of Walton Street own a minority interest in Shriram Properties Private Limited ("Shriram Properties"), a prominent Indian developer. These entities also have the right to appoint two directors to the board of directors of Shriram Properties and have approval rights over certain significant decisions to be taken by the board of directors of Shriram Properties. A Fund may invest in one or more projects which are being developed by Shriram Properties, subject to the discretion of Shriram Properties and Walton Street, as applicable.

Personal Investments

Walton Street and its principals have made personal investments in the Funds alongside the investors. As previously described, Walton Street receives incentive compensation from the Funds.

Employees of Walton Street may make personal investments in real estate related securities subject to the restrictions of Walton Street's Code of Ethics, as described above.

Item 12 Brokerage Practices

Client Referrals

Walton Street engages placement agents from time to time. However, such placement agents do not effect transactions in real estate or publicly traded securities on behalf of the Funds.

Best Execution

When selecting a real estate broker, Walton Street will consider numerous factors and criteria with the overall objective of selecting a broker who will efficiently and effectively market the asset for sale and maximize returns for the Funds. Examples of the criteria used include the following: the broker was helpful or instrumental during the acquisition and/or consulting process during the asset management phase; the broker represented the seller during the purchase of the asset and is already familiar with the property and/or the structure of ownership; access to decision makers for a likely capital source; ability to run the bidding process to maximize the return on investment to the Fund; knowledge and experience with the local market, type of asset and/or structure; complexity and size of the transaction; past performance in representing Walton Street or others on similar deals; presence of a strong local investment sales team assigned to the engagement; venture partner input or predisposition to use a particular broker; the broker's efficiency and professionalism in the preparation and distribution of marketing materials relevant to the engagement; overall allocation of business to a variety of qualified brokers that can meet Walton Street's needs; and the fee structure for the engagement.

With respect to Fund transactions in publicly traded securities (if any), Walton Street will select broker-dealers based on its fiduciary duty to seek best execution. Numerous factors and criteria will be used when evaluating brokers. Examples of the criteria used include but are not limited to the following: overall price; availability and liquidity of a security (*e.g.* for a fixed income security, the use of a broker-dealer that makes a market in a particular issuer); quality of research provided; trading expertise; reliability; maintaining confidentiality; frequency of errors; and reputation.

Walton Street is responsible for the placement of Fund transactions and the negotiation of any commissions paid on such transactions. Securities are normally purchased through brokers on securities' exchanges or directly from the issuer or from an underwriter or market maker for the

securities. Purchases of securities through brokers involve a commission to the broker. Purchases of securities from dealers serving as market makers include the spread between the bid and the asked price. The Funds are responsible for paying any commissions or other fees with regard to any security transactions effected on behalf of the respective Fund.

When participating in currency and interest rate hedging transactions, Walton Street and the Funds use a third party vendor to provide quotes from multiple counterparties. Fund transactions are executed with the broker-dealer, bank, or other counterparty with the intent of seeking “best execution” for the Funds. Brokers, banks, or other counterparties are generally selected on the basis of price and transaction expertise.

The Funds are responsible for paying all expenses associated with executing transactions in securities and hedging transactions. While the use of a third party vendor to obtain quotes and negotiate transactions will increase the cost of the transaction in excess of the amount that the Funds might be able to achieve directly, these services along with other account related or accounting assistance services are considered by Walton Street to be a valuable service for the Funds.

Soft Dollars

Walton Street receives real estate market data research from real estate brokers. Walton Street also uses the services of those real estate brokers to buy or sell real estate investments for the Funds. Walton Street and/or the General Partners do not have any formal soft dollar arrangements to compensate the brokers for the research that is provided. Walton Street and/or the General Partners may receive real estate-related research and market data from third party service providers. Some examples of such third party research providers include, but are not limited to, Reis. The Funds will bear the expense for the research obtained from such third parties.

Trade Aggregation

The Funds rarely invest in any publicly traded securities. If a Fund transacts in a publicly traded security, due to exclusivity provisions and the fact that Walton Street only invests the assets of a Fund during its respective Commitment Period, it generally would not be practicable to aggregate transactions with another Fund.

Allocation of Investment Opportunities

Walton Street recognizes its fiduciary duty to act in the best interests of the Funds. In instances when Walton Street may be in a position to allocate investment opportunities to more than one Fund at a time, it will use reasonable efforts to ensure that each Fund is treated in a fair and equitable manner. Walton Street manages certain Funds that invest in Mexico and Latin America, and these Funds may invest together in such investments, subject to any investment limitations, availability of capital, legal, tax, and regulatory considerations. Smaller investment opportunities in Mexico and Latin America are generally allocated to one Fund, with larger opportunities allocated on a pari passu basis. These allocations will continue to be subject to the sole discretion of Walton Street and the Funds’ investment limitations, availability of capital and/or any

applicable legal, tax and regulatory considerations.

Trade Errors

In the event that a Fund incurs a trade error solely as a result of Walton Street's gross negligence, willful misconduct, or fraud, such error is to be corrected by Walton Street as soon as practicable and in a manner such that such Fund incurs no loss. Trade errors that result other than by breach of care stated above will be borne by the relevant Fund. To the extent that any gains arise from a trading error and as such are received by a Fund, then such gains will be retained by that Fund.

Cross Transactions

Walton Street generally does not cause the Funds to engage in any cross transactions. In the event that Walton Street does so, Walton Street will first consider and determine that the transaction is in the best interests of both participating Funds. Walton Street will obtain consent from the Advisory Boards or the limited partners of the Funds engaging in such cross transaction, to the extent deemed necessary or appropriate.

Transactions with Limited Partners and Affiliates

The Funds have in the past, and may in the future, enter into transactions with a limited partner or its affiliates (whether as a buyer, seller, lessor, lessee, manager, broker, agent, trustee, provider of services, or otherwise). Neither the Fund nor any partner shall have, as a consequence of this relationship, any rights in or to any income or profits derived from such transaction or relationship.

Advisory Board

Each Fund has an Advisory Board. The Advisory Boards are established to review and resolve certain conflicts of interest between Walton Street and the respective Fund. A majority of the members serving on each Advisory Board must not be affiliated with Walton Street.

Item 13 Review of Accounts

Review of Fund Portfolios

The only accounts managed by Walton Street are the Funds and Co-Investment opportunities. Walton Street's Acquisitions group meets on a periodic basis to discuss new investment opportunities that should be presented to the Investment Committee. The investment positions and assets within the Funds' portfolios are monitored and reviewed by personnel of Walton Street's Asset Management group on a daily and/or weekly basis. The Investment Committee meets whenever needed to review and approve of new investment opportunities or the divestment of existing Fund assets. The members of the Investment Committee are Neil Bluhm, Ira Schulman, Eric Mogentale, Jeffrey Quicksilver, and K. Jay Weaver.

As described in the section titled “Other Financial Industry Activities and Affiliations” under Item 10 above, certain Funds own a significant interest in Mesa West and have committed capital to certain of Mesa West’s private funds. In order to properly oversee the Funds’ investments in Mesa West, a representative of Walton Street has been appointed to Mesa West’s Investment Committee and certain Walton Street personnel attend Mesa West’s periodic asset review meetings.

Fund Reporting

The Limited Partnership Agreements of the Funds provide for certain written reports to investors. These reports, which are generally provided to investors within 60 days after the end of each quarter, contain the following information: (i) statement of changes in the Funds’ Unaudited Net Asset Value (“UNAV”); (ii) a schedule and summary description of each Fund asset; and (iii) a description of the performance of each asset. Investors also receive a capital account statement to show the value of their interests in the applicable Fund.

Within 120 days of the end of the fiscal year, investors in the Funds will also receive copies of annual audited financial statements that include the following information: (i) auditors opinion; (ii) balance sheet; (iii) statement of income or loss; (iv) statement of partners’ capital; (v) statement of cash flows; and (vi) notes to the financial statements.

On a quarterly basis, investors in the Funds are also provided with unaudited financial statements that include the following information: (i) a balance sheet; (ii) a statement of income or loss; (iii) statement of partners’ capital; and (iv) a statement of cash flows.

Walton Street also distributes special reports to investors, upon specific request. The special reporting varies by the format in which an investor would prefer to receive our information (*e.g.*, using a specific template or questionnaire).

Item 14 Client Referrals and Other Compensation

Additional Compensation

The Funds may act in conjunction with developers or outside investors for competitive or strategic reasons or for other reasons that Walton Street determines will benefit the Funds, including forming joint ventures or other arrangements. Such third parties may venture with the Fund and Walton Street and may receive compensation in connection with arranging and managing such ventures. Any incentive compensation received by Walton Street in connection with joint ventures between the Funds and such third parties will be distributed to the Funds. Walton Street will retain any acquisition, financing and management fees received in connection with joint ventures between the Funds and such third parties.

Employees of Walton Street may obtain discounted rates while staying at properties (*i.e.*, hotels or resorts) owned by the Funds, while traveling on personal time. Employees may accept the

“Friends and Family” rates offered by the properties, subject to availability. Employees are prohibited from requesting and/or accepting accommodations by Fund-owned properties that are free of charge to the employee, while traveling on personal time.

Client Referrals

Walton Street may periodically engage third party placement agents and/or solicitors to introduce prospective investors for the Funds. The fees and expenses of any third-party placement agents and/or solicitors will be paid by the Funds, but will be reimbursed by Walton Street by offsetting its fees.

Business Entertainment

Walton Street’s Sponsorship of and Participation in Events

In order to provide the quality of services that the Funds and investors expect, it is necessary for Walton Street to establish, maintain and enhance relationships with Fund investors and prospective Fund investors, as well as various professionals in the real estate investment and management business, such as attorneys, consultants, investment brokers, investment bankers, building leasing agents and tenant representatives, lenders, developers, venture and operating partners and other service providers and investment professionals (together, the “Real Estate Industry”). Establishing meaningful and long-term relationships in these and other areas within the Real Estate Industry are critical to Walton Street in identifying diverse strategies and sourcing investment opportunities for the Funds, as well as efficiently underwriting, financing, leasing, managing and disposing of Fund assets. Walton Street and the Real Estate Industry value important and long-standing relationships, and as such, Walton Street and its employees may invite those within, and are frequently invited to participate in activities sponsored by, the Real Estate Industry that could be considered lavish entertainment, such as sporting events, concerts, golf and other outdoor outings and other recreational activities (collectively, “Events”). Walton Street recognizes that many in the Real Estate Industry similarly put efforts forth to establish, maintain and enhance their relationships with organizations competitive to Walton Street.

The meals, travel and accommodations for many, but not all, Events may also be paid by Walton Street or such Real Estate Industry third-parties including private airfare and accommodations at upscale locations. In addition, the properties owned by the Funds may also sponsor Events, in which employees of Walton Street may attend in an effort to generate marketing opportunities for renting/leasing available space in such properties or otherwise. The primary benefits Walton Street and the Funds receive from Walton Street’s sponsorship and participation in these Events is to originate and further strengthen our relationships within the Real Estate Industry. Walton Street believes that working to have such relationships is important towards ensuring that Walton Street is provided with the opportunity to capitalize upon active sources of dealflow and investment opportunities, as well as to receive critical and reliable services and information. While Walton Street believes employee sponsorship and participation in these Events is beneficial to the Funds for the reasons described above, Walton Street’s subsequent selection and retention of such Real Estate Industry service providers could be viewed as a form of reimbursement for attending such Events. Walton Street recognizes and acknowledges our fiduciary duty to the

Funds. As such, no such Events or activities sponsored or received by Walton Street are permitted to influence our due diligence process in the acquiring, underwriting, financing, managing, leasing and selling of real estate investments or fulfilling our fiduciary duty to the Funds. Walton Street requires its employees to report their planned sponsorship of and participation in Events to its Chief Compliance Officer (“CCO”) for review. The CCO monitors such reporting and alerts members of the Investment Committee of any concerns related to the frequency, lavishness or benefit of the sponsorship of or participation in such Events, as necessary. The Investment Committee will evaluate such concerns and determine on a case-by-case basis whether an employee’s sponsorship of or participation in an Event is (i) warranted and the expenses may be paid by third parties, (ii) warranted but the expenses must be paid by Walton Street or the participating Employee, or (iii) the sponsorship of or participation in the Event is not warranted.

Property Incentive Programs

Walton Street and/or entities hired by Walton Street (such as property management or leasing service providers) will periodically sponsor incentive programs for unaffiliated third parties, primarily for real estate brokers and leasing agents. The programs are designed to incentivize the brokers and/or leasing agents to generate interest in obtaining tenants to occupy vacant space in properties owned by the Funds. The incentive programs are designed primarily to benefit the Funds by securing leases as quickly as possible to generate revenue at the properties owned by the Funds. The incentive programs may include items such as meals, gifts, gift cards, vacation accommodations, and other items. The incentive programs are paid for as part of the marketing budget for each property. Since these expenses are paid by the individual property, the Funds will indirectly bear the cost of these expenses.

Item 15 Custody

The Funds’ General Partners are affiliates of Walton Street and therefore Walton Street is considered to have custody of client assets. The Funds are audited annually and the audited financial statements, which are prepared in accordance with generally accepted accounting principles, are distributed to the Funds’ investors within 120 days of the Funds’ fiscal year end. Fund investors should carefully review the Funds’ audited financial statements.

Item 16 Investment Discretion

Walton Street has investment discretion over the Funds’ assets, in accordance with each Fund’s respective offering documents and Limited Partnership Agreement. The Funds’ General Partners are affiliates of Walton Street.

Each Fund’s Limited Partnership Agreement and offering documents generally set forth certain limitations with respect to the management of the Fund and the activities of Walton Street, among others. Fund investors may enter into side letter agreements with Walton Street, as described in the section titled “Side Letters” under Item 5 above. These agreements may have the effect of limiting certain of Walton Street’s activities.

Item 17 Voting Client Securities

In accordance with its fiduciary duty to the Funds and Rule 206(4)-6 of the Investment Advisers Act, Walton Street has adopted and implemented written policies and procedures governing the voting of Fund portfolio securities.

Walton Street is periodically required to execute proxies in foreign jurisdictions at shareholders' meetings as required by foreign laws. In most, but not all cases, these are foreign entities that were established to own real estate assets in foreign countries and these entities are generally majority owned by the Funds. These types of proxies generally require the approval of financial statements, capital calls, capital distributions, and other items. Upon notification of a shareholder meeting, Walton Street designates a representative to attend the shareholder's meeting and submit Walton Street's vote in person. Walton Street instructs the designated person to vote in the best interest of the Funds and in accordance with our fiduciary duty to the Funds. If Walton Street determines that it is facing a material conflict of interest in voting a proxy, Walton Street will obtain recommendations from the applicable Fund's Advisory Board, or an independent third-party, to provide an independent recommendation on the direction in which Walton Street should vote. The determination by the third-party will be binding on Walton Street.

Walton Street maintains a record of any proxy votes executed on behalf of the Funds. Funds and their investors may contact Allison McDowell by telephone, at (312) 915-2808 to obtain a copy of Walton Street's proxy voting policy or to obtain information with respect to any specific proxy votes submitted on behalf of the relevant Fund.

Item 18 Financial Information

Walton Street is not aware of any financial condition that it believes is expected to affect its ability to meet contractual commitments to the Funds.