

Item 1 – Cover Page

Exeter Property Group, LLC

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This Brochure provides information about the qualifications and business practices of Exeter Property Group, LLC [“Exeter” or the “Firm”]. If you have any questions about the contents of this Brochure, please contact us at 610-828-3200 and/or info@exeterpg.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Exeter Property Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Exeter Property Group, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Exeter is a newly-registered Investment Adviser with the Securities and Exchange Commission (“SEC”) and has never previously prepared a Brochure. In the future, this Item will discuss only specific material changes that apply to our business since the last annual update of our Brochure. As a result of new SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is in December. We may also provide you with a new Brochure or other ongoing disclosure information about material changes as necessary, without charge.

Currently, a copy of our Brochure may be requested by contacting Jennifer Matthews at 610-234-3217 or info@exeterpg.com, without charge. Our Brochure is also available on our web site www.exeterpg.com, also without charge.

Additional information about Exeter Property Group, LLC is also available on the SEC’s web site at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with **us** who are registered, or are required to be registered, as investment adviser representatives of Exeter.

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Item 4 - Advisory Business

Our Advisory Services

Exeter Property Group, LLC is a Delaware limited liability company, initially formed in 2006. Our investment advice is primarily provided to real estate funds we form and manage, which own a portfolio of properties we select. We also act as a sub-advisor, among other duties, to a real estate fund sponsored by unaffiliated entities. In addition, we have entered into joint ventures with third party limited partnerships to provide investment advice: (1) on a real estate portfolio in a master REIT subsidiary; and (2) to a co-investment fund. Terms not otherwise defined in this Form ADV are as defined in the respective Limited Partnership Agreements.

We are vertically integrated to acquire, invest in, construct, manage and dispose of industrial, flex and related business park real estate properties in the United States.

We are the investment adviser to two (2) Delaware closed-end, discretionary private equity real estate investment funds (each, a “Fund,” and collectively, the “Funds”) that may include parallel funds structured, for tax or other reasons, to satisfy investor needs. In 2007, we formed Exeter Industrial Value Fund, L.P. and Exeter Industrial Value Fund AIV, L.P. (collectively, “Fund I”). Exeter Industrial Value Fund II, L.P. (“Fund II”) was formed in 2011. The structure of our Funds may include one or more REITs, feeder vehicles, co-investment vehicles, parallel partnerships, special purpose entities or other investment vehicles and subsidiaries of the Funds. Exeter’s principals co-invest in each of our Funds. All investors in the Funds are institutional investors; please see Item 7.

Fund I held its first investor closing on April 30, 2007, and as of February 6, 2012, has called over \$331 million in total equity commitments. Fund II has called over \$24 million in total equity commitments and the investment period will be closed to new investors on May 1, 2012.

As a value-add investment fund, Exeter typically targets opportunities with vacancy or lease rollover risk, properties that require repositioning and redevelopment, and complex transactions. Our investment portfolios focus on big box warehouse, multi-tenant industrial, flex, assembly, and, to a limited degree, research and development and suburban office properties. Exeter acquires properties for their functionality and capacity to serve diverse tenant needs. Exeter also acquires land for speculative and build-to-suit development. Similar types of properties comprise our investment portfolio for Fund II, our sub-advisory arrangement and our joint ventures. We acquire fee simple asset and whole loan transactions ranging from \$5 to \$250 million in transaction value.

Principal Owners

Exeter's investment advisory decisions are made by two (2) key individuals, Edward J. Fitzgerald (Managing Principal and Chief Executive Officer) and Timothy J. Weber (Managing Principal and Chief Financial Officer), in consultation with Exeter's Investment Committee, which committee consists of Mr. Fitzgerald, Mr. Weber, a senior principal of Exeter and principals/regional investment officers/asset managers. The principal who supervises our sub-advisory arrangement is Timothy F. Walsh.

Edward J. Fitzgerald and Timothy J. Weber each own more than twenty-five percent (25%) of Exeter. All other individuals own less than twenty-five (25%) percent of Exeter. We are providing biographical information about Edward J. Fitzgerald and Timothy J. Weber below instead of filing Form ADV, Part 2B.

Edward J. Fitzgerald, 48, Managing Principal, Chief Executive Officer. Mr. Fitzgerald has 22 years of commercial real estate experience. At Exeter, Mr. Fitzgerald is responsible for providing strategic direction, evaluating investment decisions and utilizing relationships to source transactions. Prior to Exeter, Mr. Fitzgerald worked for Malvern, Pennsylvania-based Liberty Property Trust for 14 years from 1993 to mid-2006, where for the last seven years he was Senior Vice President and Regional Director. This region, Liberty's largest, included 180 industrial and office properties comprising approximately 15 million square feet of commercial space valued at an estimated \$2.5 billion. During his tenure as Regional Director, Mr. Fitzgerald oversaw all aspects of acquisitions, asset management, development, leasing and property management. In addition, Mr. Fitzgerald was the lead member of the senior management team that restructured Liberty's finances and took the predecessor company public in 1994. Prior to Liberty, Mr. Fitzgerald worked in the Real Estate Consultancy group at Coopers & Lybrand from 1989 to 1992 with a focus on Resolution Trust Corporation (RTC) workouts and bankruptcy and creditor committee representation. Mr. Fitzgerald graduated from the University of Notre Dame with a BA degree in Business Administration and earned an MBA from Harvard Business School.

Timothy J. Weber, 58, Managing Principal, Chief Financial Officer. Mr. Weber has 27 years of real estate experience. At Exeter, Mr. Weber is responsible for managing accounting, financial reporting, budgeting, legal, operations and asset financings. Prior to Exeter, Mr. Weber worked for Malvern, Pennsylvania-based Terramics Property Company, where as Partner and Chief Operating Officer he oversaw all leasing, property management and certain accounting, real estate budgeting, tax preparation and asset financings. He joined Terramics in 1984 and during his tenure helped orchestrate nearly \$300 million of office and flex investments with Ohio State Teachers' Retirement System. In 1997, Prentiss Properties (NYSE: PP) purchased Terramics, and Mr. Weber became Vice President of Operations of the Northeast Region, responsible for overseeing asset management. This role included all of the corporate financial reporting, asset budgeting of the Northeast portfolio and financial analysis on new investments

for the region. In 2001, the Northeast Region of Prentiss was purchased by Brandywine Realty Trust (NYSE: BDN), and Mr. Weber and his partners re-formed Terramics Property Company, where he remained until joining Exeter. Mr. Weber started his career with Price Waterhouse, where he earned his CPA in 1977. He graduated with a BA degree in Economics from Muhlenberg College.

Custom Advisory Services

We offer custom services through parallel partnerships and/or side letters. These are designed to meet the specific investment objectives, tax regulatory requirements and/or reporting issues articulated by the investor. Most of our side letters include a “Most Favored Nations” clause allowing all investors of the same capital commitment amount or larger in a particular fund to elect the same treatment.

Exeter also offers custom services in the form of co-investment vehicles, which allow investors to target certain investment objectives by investing alongside one of our Funds.

Wrap fee Programs

N/A.

Assets Under Management

We manage all the assets in our Funds on a discretionary basis and have the right to call a total of \$725 million from our Fund investors. As of February 6, 2012, our total equity contributed under management is over \$446 million. As of February 6, 2012, Fund I has over \$331 million in total equity contributed under management. We formed Fund II in 2011 with the intent of raising \$425 million in capital; it is still in the investment period, but as of February 6, 2012, Fund II has \$24 million in total equity contributed under management. Through our joint ventures, we have over \$91 million in total equity contributed under management.

Item 5 - Fees and Compensation

Certain fees charged by Exeter may be subject to negotiation.

Management Fee; Transaction-Related Fee Income

Subject to side letter negotiations, each Fund is charged a Management Fee of 1.5% per year of the Capital Commitment annually, payable by Fund investors quarterly in advance. During the Commitment Period, the Management Fee is based on the total capital commitments of the investors in the Fund. After the Commitment Period, the Management Fee is based on the amount of capital then-currently invested. Affiliates of Exeter do not pay Management Fees.

Manager will not charge the Funds any transaction fees in connection with acquisition, disposition or financing of its portfolio properties.

Exeter has the right to forego all or a portion of its Management Fee (the “Foregone Management Fee”). In that event, a Foregone Management Fee reduces the amount of capital contributions that the General Partner (including its affiliates) in its capacity as a Partner would otherwise be required to contribute to that Fund.

The Management Fee for Fund I is paid quarterly in advance and will accrue in respect of the Capital Commitments of each Limited Partner that is not an Affiliate of the General Partner from the Initial Closing. The initial installment of the Management Fee is to be paid at the Initial Closing (or the first business day thereafter). Each quarterly installment of the Management Fee which is due (i) during the Commitment Period will be paid at the rate equal to 25% of 1.5% of the Capital Commitment of each Limited Partner that is not an Affiliate of the General Partner; and (ii) after the expiration of the Commitment Period will be at the rate of 25% of 1.5% of the aggregate amount of the Capital Contributions of each Limited Partner that is not an Affiliate of the General Partner invested as of the date of such payment in Investments, less the portion of such Capital Contributions invested in Investments that have been sold.

With respect to Fund II, Exeter is paid a Management Fee by the Fund quarterly in advance and such fee will accrue in respect of the Capital Commitments of each Limited Partner that is not Affiliate of the General Partner (regardless of the Closing in which such Limited Partner participates) from the Initial Closing. The initial installment of the Management Fee shall be paid at the Initial Closing with subsequent quarterly installments to be paid on each three-month anniversary of the Initial Closing (or the first business day thereafter). Each quarterly installment of the Management Fee which is due and payable (i) prior to the first to occur of the termination of the Commitment Period and the third anniversary of the Initial Closing shall be paid at a rate equal to 1.5% of the aggregate amount of the Capital Contributions of each Limited Partner that is not an Affiliate of the General Partner; and (ii) on or after the first

to occur of the termination of the Commitment Period and the third anniversary of the Initial Closing shall be paid at a rate equal to 25% of 1.5% of the aggregate amount of the Capital Contributions of each Limited Partner that is not an Affiliate of the General Partner that has been invested in Investments, less the portion of such Capital Contributions invested in Investments that have been sold or completely written off and not subsequently recalled.

Upon the termination of any Limited Partner, any prepaid, unearned fees (less expenses) will be promptly refunded, to the extent required by law.

The management fees for the joint ventures and sub-advisory arrangement are separately negotiated.

In the event that the Funds incur transaction-related fee income, including commitment, break-up, or similar fee income in the course of pursuing suitable portfolio properties, any such fees are first applied to unreimbursed out-of-pocket expenses related to the applicable transaction and any excess amounts are thereafter applied to Exeter's account. Such payments to Exeter reduce the Management Fee otherwise payable by the Fund by an identical amount.

Additional Expenses and Fees

Each Fund bears its own Operating Expenses incurred with respect to its portfolio properties.

The Funds pay certain expenses, on a prorated basis: Organizational Expenses and Placement Agent Fees. As explained below, these fees are subject to a cap or an offset. To the extent these fees exceed the next installment of the Management Fee, the excess is carried forward to the next subsequent installment of the Management Fee until paid; if not paid in full by the time the Fund is liquidated, the General Partner will pay the excess fees to the Partnership.

Each Fund pays, or reimburses, its General Partner, on a prorated basis, for all Organizational Expenses, capped at \$1 million for Fund I and \$1.2 million for Fund II. To the extent these fees exceed \$1 million or \$1.2 million, respectively, the Management Fees otherwise owed are reduced dollar-for-dollar. The General Partners of the Funds are affiliated entities of Exeter.

"Placement Agent Fees" are payable to third party placement agents, financial consultants and/or finders retained by the General Partner in connection with the sale and offering of the Interests to the Limited Partners. Placement Agent Fees are offset against the Management Fee.

In connection with a Fund Investment, the Fund may retain one or more affiliates of the General Partner to perform certain leasing, property management, maintenance, construction management, property-related legal, and similar services. Any agreements between the Fund

and such affiliates will contain terms and conditions generally available in arm's length transactions with qualified independent third party providers of comparable services. The General Partner will not charge the Funds any transaction fees in connection with the acquisition, disposition or financing, although one or more affiliates of the General Partner may receive fees for property management, construction management and leasing services.

The allocation and payment of additional fees incurred by the joint ventures are separately negotiated.

Distributions

Net cash flow from investments in each Fund is distributed quarterly or, in the General Partner's discretion, more frequently. Distributions are first divided among the Partners (including the General Partner in its capacity as a Partner), on a prorated basis, according to their respective capital contributions and then distributed as between a Partner (including the General Partner in its capacity as a Partner) and the General Partner (in respect of its carried interest) in the following order of priority:

- (1) Preferred return to Partners: 9% compounded annually on their net cumulative capital contributions.
- (2) Capital contributions: 100% return of Partners' net cumulative capital contributions.
- (3) Incentive distributions:
 - 80% to the Partners and 20% to the General Partner (for its carried interest) until the Partners have received a cumulative internal rate of return ("IRR") of 12.5% compounded annually;
 - *Next*, 50% to the Partners and 50% to the General Partner (for its carried interest) until the General Partner has received 20% of net cumulative profits; and
 - *Thereafter*, 80% to the Partners and 20% to the General Partner (for its carried interest).

Notwithstanding the formula described above, to the extent the General Partner's tax liability in any year attributable to its carried interest exceeds the amount distributed to the General Partner for its carried interest, and provided cash is available without a sale or refinancing of the Fund's assets, the Fund will make a special tax distribution to the General Partner. Any special tax distributions to the General Partner reduce future distributions payable to the General Partner for its carried interest. Upon the liquidation of a Fund, its General Partner may be required to repay the Fund up to the after tax amount of distributions for its carried interest to the extent that such distributions exceeded amounts otherwise distributable to that General Partner under the formula set forth above, applied over the life of the Fund.

Distributions to the joint ventures and the sub-advisory arrangement are separately negotiated.

CONFLICTS

The existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based compensation. Exeter believes, however, that its long term commitment to the business and its Investment Committee, acting together with the Advisory Board for each Fund, it makes investment decisions in the best interests of the Funds and not its General Partner.

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

Performance based fees are paid to the General Partner in the form of the General Partner's carried interest according to the following formula for distribution:

Distributions are first divided among the Partners (including the General Partner in its capacity as a Partner), on a prorated basis, according to their respective capital contributions and then distributed as between a Partner (including the General Partner in its capacity as a Partner) and the General Partner (in respect of its carried interest) in the following order of priority:

- (1) Preferred return to Partners: 9% compounded annually on their net cumulative capital contributions.
- (2) Capital contributions: 100% return of Partners' net cumulative capital contributions.
- (3) Incentive distributions:
 - 80% to the Partners and 20% to the General Partner (for its carried interest) until the Partners have received a cumulative internal rate of return ("IRR") of 12.5% compounded annually;
 - *Next*, 50% to the Partners and 50% to the General Partner (for its carried interest) until the General Partner has received 20% of net cumulative profits; and
 - *Thereafter*, 80% to the Partners and 20% to the General Partner (for its carried interest).

We will structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") and the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Side-by-Side Investments and Management

Each Fund may invest side-by-side with (a) a specific Limited Partner which can provide investment opportunities, operating capabilities or other strategic or competitive opportunities or advantages to the Fund; or (b) an independent third party to facilitate the making of Investments. The Funds may enter into these investment opportunities without providing co-investment opportunities to any of the Limited Partners.

In certain instances, we will structure co-investment opportunities that also result in side-by-side management with the Funds. Generally, these situations arise where the General Partner determines that the Fund, due to the size or risk of an Investment, is either prohibited by the Partnership Agreement from acquiring such Investment or it is not in the Fund's best interests to acquire such Investment. All Limited Partners in a particular Fund are provided with prompt notice of such co-investment opportunity even if they are not eligible to participate based on the

amount of their Capital Commitments to that Fund. The General Partner has the sole discretion to offer to certain Limited Partners the option of participating in a co-investment opportunity alongside the Fund. As between the General Partner and the participating Limited Partners, the terms of any co-investment opportunity will be agreed to at the time of each co-investment and will be as favorable to the participating Limited Partners as are the terms of the Fund. Eligible Limited Partners are under no obligation to make any co-investments.

Conflicts of Interest

Performance based fees, in the form of the General Partner's carried interest, are intended to provide incentive to Exeter and/or the General Partner to invest in, manage and dispose of properties in a diligent and prudent manner. Performance based fee arrangements may create an incentive for Exeter to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We have implemented policies and procedures designed to ensure that we act in the best interests of the Funds and that all Fund investors are treated fairly and equally. This includes policies and procedures intended to prevent this conflict from influencing the selection and allocation of investment opportunities among our Funds and the management of portfolio properties once selected. The investment period for Fund I closed on April 30, 2011 while the commitment period for Fund II commenced May 1, 2011. Exeter believes that its long-term commitment to the business and its Investment Committee, acting together with the Advisory Board for each Fund, makes investment decisions in the best interests of the Funds and not its General Partner.

Item 7 - Types of Clients

Through our Funds, Exeter provides asset management services to institutional clients, corporate pension and profit-sharing plans, and private investment funds.

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

INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.

ANALYSIS AND STRATEGIES

Our Funds pursue value-add investments that seek to offer a balance of risk and return. We target industrial, flex, and related business park properties and first mortgage whole loans throughout major markets in the eastern, central, and southern United States. We seek fee simple asset and whole loan transactions ranging from \$5 million single-asset acquisitions to \$250 million portfolio acquisitions. As value-add investment vehicles, these Funds typically target opportunities with vacancy or lease rollover risk, properties that require repositioning and redevelopment, or otherwise complex transactions. Exeter also acquires land for speculative and build-to-suit development. We seek to mitigate the risk associated with these strategies through several types of portfolio diversification: (1) smaller, single asset transactions; (2) geographic diversity; (3) strategy diversity; and (4) product diversity. Our management team seeks portfolio properties based on criteria that include (i) careful site selection; (ii) building designs that are responsive to tenant requirements; (iii) careful management of construction costs and risk; (iv) aggressive leasing; (v) thorough understanding of tenant demand and market supply trends; and (vi) intimate knowledge of land use laws and relationships with federal, state and local municipal authorities. Potential transactions are also further evaluated on their real estate fundamentals, including location, total cost per square foot, age and condition of building systems, space flexibility and leaseability.

Management Team

The principals of our Funds have an average of 20 years' experience in real estate acquisitions, leasing, development and redevelopment activities. Exeter's investment process is strengthened by collaboration among the management team and other specialists within the firm. Exeter's vertically integrated organization has expertise in acquisitions, dispositions, development, construction, leasing, asset and property management, finance, workouts, law, and accounting. A key feature of Exeter's structure is the accountability of its Investment Officers/Asset Managers throughout the entire investment cycle, avoiding the conflict in traditional models of separate acquisition officer and asset manager roles. The Investment Officers/Asset Managers who lead each regional office are ultimately responsible for both the acquisition and asset management of investments in their region, with the support of in-house property management and both in-house and third-party leasing agents. We believe this allows

us to focus on optimizing each investment's business plan from acquisition selection, through asset management, to disposition.

Financing Strategies

Exeter's financing strategy seeks to enhance risk-adjusted investment returns prudently through a conservative leverage ratio of up to 65% on a portfolio basis. Our financing strategy includes staggering debt maturities to manage refinancing risk, utilizing primarily non-recourse debt, and financing in small increments, which also reduces refinance risk. A Fund's typical loan size ranges from \$30 to \$40 million.

Exeter determines the appropriate financing for each investment, procures term sheets from banks and life insurance companies outlining likely financing terms, and advises the Investment Committee of any resultant changes to the potential investment's projected returns. In selecting the level and type of debt financing for a transaction, Exeter's analysis generally includes the following factors: projected cash flows, lease rollover, tenant credit, required capital improvements and marketing expenses, appreciation potential, and hold period.

Operations

After acquisition closing, Exeter's asset management strategy concentrates on strong tenant relationships and disciplined budgetary controls. Asset management and construction personnel work alongside the tenant during the lease negotiation and eventual fit-out process to address the tenant's needs. Exeter believes its tenant experience and service-oriented process is a meaningful competitive advantage in the marketplace for attracting tenants and enhancing loyalty to Exeter's properties.

Investment Limitations

To further define the investment parameters of the Funds, Exeter sets certain limitations on its investment activities. Below are our guidelines for each of our principal Funds, but these may be varied with approval of our Advisory Committee. Greater detail of each Fund's investment limitations are set forth in the Limited Partnership Agreement governing the respective Fund.

For Fund I, we set the following investment parameters to limit investments to no more than:

- 20% in a single transaction;
- 15% in an investment outside the Fund's target market;
- 25% in development transactions that are less than 70% pre-leased;
- 10% in unentitled land (lacks development approval but has proper zoning);
- 15% in service center office properties;

- 5% in non-industrial or flex properties (but only in conjunction with an investment in predominantly industrial or flex properties); and
- 5% in taxable REIT subsidiaries.

For Fund II, the following investment guidelines limit investments to no more than:

- 25% in any one portfolio transaction;
- 15% in investments located outside of the Fund's target markets;
- 15% in development transactions that are less than 75% pre-leased;
- 10% in unentitled land (lacks development approval but has proper zoning);
- 15% in service center office properties;
- 5% in non-industrial or flex properties (but only in conjunction with an investment in predominantly industrial or flex properties); and
- 5% in taxable REIT subsidiaries.

The targeted categories of investments in our portfolio include:

- Big box warehouses;
- Multi-tenant industrial space;
- Flex and office properties;
- Research & development facilities; and
- Business park environments.

Financial Controls and Exit Strategies

Once properties have entered our portfolios, we exercise strict financial controls and management. We continually reevaluate exit strategies and alternatives for each investment as market and demand dynamics change. Our Principals have sold assets to numerous institutional and corporate buyers and have also worked with a range of brokers and consultants in the disposition of assets, which has provided extensive expertise in exiting industrial and flex investments at the optimum time and in the most efficient manner.

Alignment with Investors

We seek to align our interests with those of our investors.

The majority of the Exeter team members will collectively commit at least \$5 million to each Fund, which represents a meaningful personal contribution from each of them. Furthermore, to provide strong incentives to achieve the Fund's investment objectives, Exeter team members will contribute 100% of the sponsor commitment and share 100% of the carried interest. Exeter will not receive distributions with respect to its carried interest until investors receive a return of 100% of their capital contributions and a 9% annual preferred return thereon. Given the significant investment by Exeter in the Funds, its incentive-based compensation, and

whole fund- and single-promote structure, Exeter believes there is meaningful alignment of interests between Exeter and the investors in the Funds.

RISK FACTORS

The Confidential Private Placement Memoranda (“PPM”) we provide to our Fund investors detail risk factors, each of which could have an adverse effect on the value of their interests in the respective Fund. There can be no assurance that any of our Funds will achieve their respective investment objectives or that the Limited Partners will receive any return on, or the return of, their invested capital. The risks associated with an investment in our Funds are those typically associated with investments in real estate in general, including those made through other entities and/or joint ventures. An investment in our Funds is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks. Due to the lack of liquidity inherent in an investment in the Funds, Investors in our Funds must be prepared to bear such risks for a significant period of time. All investors, or potential investors, requiring a more detailed discussion of risk factors should contact us for a copy of a Fund’s PPM.

CONFLICTS

- **Overlapping Personnel**

Each of our Funds may be subject to conflicts of interest involving the General Partner or the Manager, in part due to the overlap in our key personnel. Each Fund may enter into relationships with Exeter or its affiliates, some of which may give rise to conflicts of interest. Each Fund has implemented policies and procedures as necessary or appropriate to deal with such potential conflicts, but such measures may not be effective under all circumstances, and some of which may not be in the control of Exeter and/or its affiliates.

- **Transactions with Affiliates**

The Fund (or the General Partner on behalf of the Fund) may engage one or more affiliates of the General Partner (referred to in such capacity as a "Servicing Party") to perform certain services for which the Fund would otherwise retain third parties, including, without limitation, services for property management, maintenance, construction management and similar services. Each agreement for such services with an affiliate of the General Partner will be consistent with the fees and terms generally available in the market.

Although the General Partner expects that the fees for such services will be consistent with those generally available in the market, the enforcement of such provisions will be within

the purview of the General Partner. Conflicts of interest may also arise with respect to contract terms, such as, for example, in determining whether a Servicing Party is entitled to be indemnified pursuant to any agreement between the Fund and such Servicing Party or whether such Servicing Party has satisfactorily performed in compliance with its agreement with the Fund.

- **Performance Allocation**

The existence of the General Partners' carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based compensation.

MANAGEMENT OF CASH BALANCES

We manage cash balances in a manner intended to be in the Funds' best interests. Exeter manages, in its sole discretion, the short-term investment of cash held for (1) reserves for Fund operations, (2) acquisitions of Fund investments, or (3) distribution to the Limited Partners. For Fund I, cash may be invested in (i) bank accounts, certificates of deposit and bankers' acceptances issued by a bank whose short term obligations are rated at least "Prime-1" by Moody's Investors Service, Inc. and "A-1" by Standard & Poor's or "Ag" by Standard & Poor's Corporation, and (iii) marketable obligations issued or guaranteed by the United States Government of any political subdivision thereof. Fund II may invest in short-term investments in assets which are invested in (i) bank accounts, certificates of deposit and bankers' acceptances issued by a bank whose short term obligations are rated at least "Prime-I" by Moody's Investors Service, Inc. and "A-I" by Standard & Poor's Corporation, (ii) money market funds rated at least "Aaa" by Moody's Investors Service, Inc. and "Am" or "Ag" by Standard & Poor's Corporation, and (iii) marketable obligations issued or guaranteed by the United States Government or any political subdivision thereof.

Item 9 - Disciplinary Information

None.

Item 10 - Other Financial Industry Activities and Affiliations

None.

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

Effective as of March 30, 2012, Exeter will have adopted a Code of Ethics (“Code”) for all supervised persons of the firm describing our high standard of business conduct and fiduciary duty to our clients. All of our supervised persons will be required to follow Exeter’s Code.

The Code will include provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Exeter will be required to acknowledge the terms of the Code annually, or as amended.

The Code will be designed to prevent conflicts of interest between Exeter and its clients. The Code will require that the personal securities transactions, activities and interests of our employees do not interfere with our making of and implementing investment decisions in the best interests of our advisory clients, while, simultaneously, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interests of Exeter’s clients. In addition, the Code will require pre-clearance of certain transactions that will have a direct or indirect impact on the business of our Funds. Employee trading will be monitored as necessary under the Code.

Exeter’s clients or prospective clients may request a copy of the firm's Code by contacting Jennifer Matthews at info@exeterpg.com.

Item 12 - Brokerage Practices

N/A.

Item 13 - Review of Accounts

We provide advisory services to proprietary real estate funds comprised of portfolio properties we select and manage. We provide sub-advisory services to unaffiliated third party funds. Periodic reports are provided to our investors for tax and other purposes. Exeter provides specific capital account statements for a substantial majority of the Limited Partners of the Funds quarterly.

Item 14 - Client Referrals and Other Compensation

Exeter has entered into a placement agent agreement with a broker-dealer for the introduction to certain specified clients of the placement agent to Fund II. This arrangement fully complies with the requirements of Rule 206(4)-3 of the Investment Advisers Act.

Once such client commits to invest in Fund II, such client is treated in the same manner as other investors in that Fund. Exeter does not differentiate among investors in providing investment advisory services to our Funds based on how any investor became a Fund investor. Thus, no conflicts of interest arise as a result of any such arrangements.

Item 15 - Custody

N/A.

Item 16 - Investment Discretion

Exeter is provided with discretionary authority from our investors through the various offering documents we use to document our relationships. The various offering documents set forth the stated investment objectives for the Fund in which the investor is investing. Our exercise of discretion comports with the investment guidelines and restrictions stated in those offering documents.

Item 17 - Voting Client Securities

Our offering documents set forth the Fund issues on which investors may vote, or vote through duly executed, written proxies.

Item 18 - Financial Information

N/A.

Item 19 - Requirements for State-Registered Advisers

N/A.