

Form ADV

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Part 2A

AREA Management Holdings

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This brochure ("Brochure") provides information about the qualifications and business practices of AREA Management Holdings, LLC ("AMH"). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at 914-304-8300 or CCO@areaprop.com. Additional information about AMH or certain of our supervised persons is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov.

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The main sections and any relevant subsections appearing under each main heading shall follow the ordering as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. AMH's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to AMH.

II. Material Changes

Filing date of last annual ADV update: N/A.

On 31 December 2012, AMH completed its first fiscal year while maintaining an active registration as an investment adviser. Accordingly, it historically has not needed to file an annual update of its Form ADV, however, AMH's first annual ADV update is expected to be filed prior to 1 April 2013. For the purpose of this current Brochure, AMH has no material changes to report in regard to its Form ADV.

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Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to AREA. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

Advisory Affiliate: Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

Control: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

Management Persons: Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

Related Person: Any advisory affiliate and any person that is under common control with your firm.

Self-Regulatory Organization or SRO: Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

Supervised Person: Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

IV. Advisory Business

Item IV.(A). AMH at a Glance

Firm Profile / History

AREA Property Partners (“AREA”) was founded in 1993 by William Mack and the private equity firm Apollo Global Management, LLC as Apollo Real Estate Advisors. AREA has been actively involved in the U.S. real estate fund management business since 1993 and globally since 1995. AREA pursues a range of real estate investments that offer the opportunity for highly attractive risk-adjusted returns, whether through its opportunity funds, value-enhancement funds, or its lending business.

Predominantly, the Investment Vehicles (“Investment Vehicles”) managed by AREA have involved funds that do not participate in the active trading of securities instruments (i.e. “non-trading Investment Vehicles”). In 2004, however, AREA expanded its fund management activities into the world of securities trading when one of AREA’s affiliates, Claros Management, L.P. began the process of managing a private Investment Vehicle (i.e. an “actively-traded Investment Vehicle”) focused on the trading of certain asset-backed securities, focusing primarily on commercial mortgage-backed securities (“CMBS”). AREA’s securities-related activities (whether CMBS or otherwise) have been and are expected to remain a small portion of its overall fund management activities. As a result, the overwhelming majority of AREA’s typical real estate fund management activities are not directly covered under the Investment Advisers Act of 1940 or its underlying rules and regulations.

On the heels of the passage of the Wall Street Reform and Consumer Protection Act of 2010, AREA determined to lodge its own investment adviser application. As a result, AREA formed AREA Management Holdings, LLC (“AMH”) to serve as the registered investment adviser to the family of funds and other investment vehicles sponsored and/or managed by AREA and its affiliates, collectively referred to as “AREA.” AMH’s investment adviser registration became effective in February 2012. Under AMH’s investment adviser registration, AREA will continue to carry out its business through one or more affiliated investment managers.

Years in Business

AMH’s date of formation: 30 December 2010.

AMH’s date of initial investment adviser registration: 2 February 2012.

Principal Owners

The following party(s) maintains at least 25% direct/indirect ownership in AMH.

- AP Management HoldCo, LLC
- National Australia Bank Limited

IV.(B). AREA’s Advisory Services

AREA’s principal business activities focus on the management (from both an administrative and investment standpoint) of various real-estate oriented assets for its Clients (as defined below in Item VII). AREA generally seeks to acquire and then oversee the development, repositioning, management, and operations of real estate and real estate-related assets predominantly in North America and Europe. AREA also offers advice in relation to securities and other financial instruments and transactions consistent with the respective Clients’ investment strategies, objectives, and their Investment Management Agreements (“Management Agreements” or individually, “Management Agreement”). Financial instruments about which AREA may provide advisory services include but are not limited to (i) commercial mortgage-backed securities (“CMBS”), (ii) whole loans, (iii) commercial real estate corporate debt and loans, (iv) mezzanine loans, (v) commercial real estate mortgage loans, (vi) recapitalization and restructuring of real estate property, (vii) acquisitions of real property, and (viii) non-performing

loans. In connection with certain investments, AREA may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates and may employ leverage in connection with investment activities on behalf of its Clients. The investments of certain AREA-managed Investment Vehicles are subject to diversification and geographic limitations as set forth in the relevant governing documents specific to each Investment Vehicle, as well as limitations on the amount of leverage that AREA may utilize in connection with the investment activities of any such Client.

AREA may also seek out additional, strategic investment opportunities on behalf of its Clients in a manner consistent with each Client's investment objectives.

AREA generally will possess full discretionary authority with respect to the investment decisions of its Clients; however, AREA's advice is provided in accordance with the investment objectives and guidelines set forth in each Client's governing documents and Management Agreement. Similarly, AREA's investment decisions and advice with respect to a Separate Account (as defined below in Section VII) will also take into account any other instructions provided by the Separate Account Client to AREA.

Further, AREA may enter into side letters with certain limited partners of various Investment Vehicle clients who impose further restrictions AREA's discretionary authority, including limitations on investing in certain types of securities, countries, geographic territories, or businesses with respect to such limited partners/investors.

IV.(C). Customization of Advisory Services

As described above, AREA's advisory services are tailored to meet the specific investment objectives and requirements set forth in the governing documents (i.e. partnership agreement, operating agreement, charter, etc.) for each Client as well as the Management Agreement for each Client. The overall investment needs, strategy, and focus will be set forth in such documents and AREA's advisory services will be specifically geared toward meeting the investment objectives of each Client. As an example, for various tax, regulatory, or economic purposes, AREA may form one or more special purpose entities in order to facilitate portfolio investments on behalf of its Clients. The process of structuring such entities to meet these individualized needs will vary from Client to Client.

IV.(D). Wrap Fee Program Participation

None of AREA's investment advisory services involve the use of wrap programs.

IV. (E). Assets Under Management ("AUM")

AUM (discretionary):	\$ 6,850,000,000
AUM (non-discretionary):	\$ 0
Total AUM ¹ :	\$ 6,850,000,000
Date of AUM calculation:	31 December 2011

The AUM figure reflected above differs from our Regulatory AUM ("RAUM") figure reflected in Item 5.F of Part 1A of our Form ADV (available at <http://www.adviserinfo.sec.gov>). The difference in the AUM figure above and our RAUM is that our AUM figure includes assets that we manage on behalf of clients that are not considered "private funds." A private fund is "an issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that Act."

¹ Rounded to the nearest \$100,000

V. Fees and Compensation

V.(A). AREA Advisory Fees

AREA's fee schedule will generally involve an annual asset-based management fee ("Management Fee"). Under certain circumstances, AREA may also be eligible to collect an annual performance-based fee ("Performance Fee") in lieu of or in addition to its annual asset-based Management Fee. Specific fee arrangements will be set forth in the Investment Vehicle offering materials (i.e. PPM) and the individual Management Agreement(s) executed between AREA and any of its Clients, however, AREA's general fee arrangements are typically structured as one of or in a combination of more than one of the following fee types.

Management Fee

AREA's annual Management Fee generally ranges from 1.0% - 1.75% and is typically based on the overall dollar value of all capital commitments and/or unreturned capital contributions. Management Fees are typically charged on a quarterly basis and in arrears. Management Fees generally will be imposed as of the initial closing date for each individual Investment Vehicle Client. Specific Management Fee arrangements will be set forth in each individual Client's PPM and relevant Management Agreement.

Performance Fee

AREA may also earn a Performance Fee (sometimes called a "carried interest" or a "promote") that is generally calculated as a percentage (typically at an annual rate of 20.0%) of the net profits achieved by the Client. AREA's Performance Fees are generally calculated and assessed after the deduction of all expenses, management fees (if any), and any specially allocated items of profit and loss (if any). Performance fees are generally assessed on an annual basis. Some but not all of AREA's Performance Fee arrangements involve a high water mark or loss carryforward provision, prohibiting AREA from receiving a Performance Fee until previous losses have been recuperated. The specifics of AREA's performance fee arrangements will be set forth in greater detail in the applicable PPM and relevant Management Agreement.

Fee Negotiability

AREA's fees with respect to any Investment Vehicles it manages generally are not negotiable, however, AREA may negotiate fees on an individual basis with limited partners in the Investment Vehicles it manages by negotiating terms of the limited partnership agreement or through side letters.

In certain cases, AREA will generally have the unilateral discretion to waive or modify the application of certain provisions (including those related to management fees, carried interest, transparency, and withdrawals) of the constitutional documents for each Client (that is an Investment Vehicle) with respect to an investor in such Investment Vehicle without obtaining the consent of any other investor. AREA will generally waive all Management and Incentive Fees attributable to AREA principals, employees, affiliates, as well as for their respective family members.

V.(B). Fee Collection Process

As described above, AREA's advisory fees are generally assessed in arrears unless separately negotiated on a limited partner basis.

The limited partnership agreements (or other similar governing documents) of the AREA-managed Investment Vehicles generally provide that limited partners are required to contribute capital to pay their pro-rata share of Management Fees upon the receipt of a capital call. If AREA issues a capital call for a contribution of capital by limited partners to pay Management Fees, AREA is generally required to specify in the capital demand notice information regarding the nature and amount of the Management Fee. AREA generally may also elect to apply distributable proceeds from the sale of an investment to pay Management Fees.

V.(C). Other Fee/Expenses.

Investment Vehicles managed by AREA generally bear all expenses related to their operations, including, by way of example, fees, costs and expenses directly related to the purchase and sale of their investments, taxes, fees of auditors and counsel, fees of consultants, expenses of the advisory boards and annual meetings, insurance, litigation expenses, and any extraordinary expenses.

AREA may have the right to receive certain fees in connection with its Clients' portfolio investments, such as break-up fees, transaction fees, and/or monitoring fees. Some or all of such break-up fees, transaction fees and/or monitoring fees generally reduce the Management Fee payable to AREA. The specific payment terms and other conditions of any such fees available to AREA are set forth in the relevant PPM and partnership/operating agreement.

V.(D). Fees Charged in Advance

As described above, AREA's advisory fees are generally assessed in arrears unless separately negotiated on a limited partner basis.

V.(E). Additional Compensation

Item V.(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Neither we, nor any of our supervised persons are party to such arrangements.

VI. Performance-Based Fees and Side-By-Side Management

To supplement our discussion of fees and compensation contained in Item V.(A) above, for certain of our Clients, we charge performance fees. Performance fee arrangements may vary from Client to Client and we will only charge a performance-based fee in relation to assets for a Client meeting the minimum criteria for being charged performance-based fees.

A primary concern with the use of performance-based fees is that they may create an incentive for a firm to engage in riskier investment behavior due to the higher return potential associated with many high-risk investments. Additionally, a firm may have the incentive to favor (i.e. spending more time/resources on such clients or to allocate specific assets anticipated to be more profitable than others to portfolios subject to a performance fee) the management of assets subject to a performance-based fee over assets not covered by a performance-based fee for the purpose of maximizing the potential fee revenue from the assets producing the performance fees.

Another potential conflict inherent with performance fee arrangements is that a firm may make decisions regarding the timing and structure of certain position-closing transactions that may not be in the best interest of a client. As an example, a firm may choose to liquidate a more profitable asset before liquidating an asset that has not been profitable due to its ability to receive a performance fee resulting from the profitable liquidation as opposed having cover any loss carryforwards due to losses associated with less profitable or unprofitable investment(s) that also have been liquidated.

Asset valuation is another area in which performance fee arrangements may pose a conflict of interest. To illustrate, distributions to fund partners in certain AREA-managed investment funds may be calculated on a deal by deal waterfall basis. In such circumstances, AREA generally will not be entitled to receive any performance fees until the partners have received distributions providing recuperation of their share of previous write downs that have not yet been taken into account in any prior distributions. These circumstances could create an incentive for a firm to delay (or not to write down at all) the value of assets that may not be readily marketable or that may be difficult to value because the higher (non-adjusted) values may result in the firm being in a position to receive a larger performance fee. AREA has crafted a set of written valuation policies and procedures designed to address this potential conflict.

Assets acquired for Clients may be highly illiquid or may prove difficult to obtain a readily identifiable market value. Any such investments will generally be subject to AREA's Management Fees and would typically be valued in accordance with AREA's valuation policies and procedures unless specific other valuation procedures have been established for the Client(s) or any particular assets held by or for the benefit of that Client. To illustrate the mechanics of this potential conflict, illiquid assets held for a client may be valued on a fair value basis for financial reporting purposes but for the purpose of calculating management Fees or performance fees, the assets may be valued on a cost basis (unless the asset has experienced a permanent impairment in regard to value). Using asset values set to historical costs in the absence of value impairments will generally result in more stable or higher asset values (especially in when asset values are generally downward sloping) and in turn, higher management fees being earned by the firm as opposed to situations in which fair value was used instead. Further, using historical cost for valuation purposes could result in a firm receiving higher performance fees or receiving a performance fee sooner than it otherwise would have had fair value been used instead. Valuation is addressed in each PPM and partnership/operating agreement.

In an effort to deal with the types of conflicts presented in this section, we regularly monitor our investment management activity for the purpose of not only reviewing for the appropriateness of the transactions but also the appropriateness of the overall fees paid by a Client. Our review process in this regard is carried out on no less than an annual basis and generally, we review Client assets for this purpose on a quarterly basis.

VII. Types of Clients

AREA services one particular type of client: non-natural persons. AREA does not deal directly with natural person clients (i.e. individual human beings). AREA provides its advisory services to individual, commingled Investment Vehicles; special purpose entities designed to perform similarly to AREA's commingled Investment Vehicles only not on a commingled basis (i.e. for a single investor); or other corporate entities formed for the purpose of pursuing and carrying out any number of real estate oriented transactions.

The following information will provide additional details as to the typical client relationships that AREA may have.

Commingled Investment Vehicles

Often times, the Investment Vehicles managed by AREA and its affiliated investment managers are structured as commingled, private Investment Vehicles. In the U.S. these entities may take the form of limited partnerships or limited liability companies. Outside of the U.S., AREA may utilize other similarly structured entities to serve as the Investment Vehicles that it may manage.

Co-Investment Entities

AREA also provides advisory services to various co-investment entities ("Co-Invest Entities") formed to facilitate investments by affiliated and third-party co-investors alongside other AREA commingled, private Investment Vehicle clients. Co-investment opportunities may be offered to Co-Invest Entities in situations where a particular investment opportunity exceeds the desired allocation threshold or limit for a particular Investment Vehicle client in terms of investment size, type, available capital, diversification, geographic location, duration or holding period, or other relevant factors. Also if deemed appropriate, co-investment opportunities may be offered to other Investment Vehicle clients of AREA as well as partners, officers, employees, and other related persons of AREA.

Separate Accounts

Outside of the typical commingled fund structure or a Co-Invest Entity, AREA may also provide similar advisory services designed to meet the individualized needs of a singular or limited number of investors desiring to have AREA manage a portfolio for the investor but not within one of AREA's commingled Investment Vehicles. These arrangements are generally referred to as "Separate Account" arrangements and typically involve the formation of one or more special purpose entities to carry out AREA's investment/administrative advisory services for that investor. These special purpose entities also will generally be structured as limited partnerships or limited liability companies in the U.S. or in similar fashion if formed outside of the U.S. Also if deemed appropriate, Separate Account opportunities may be offered to other related persons of AREA.

Unless stated otherwise in this Brochure, the types of client relationships described above (i.e. commingled, private Investment Vehicles; Co-Invest Entities, and Separate Accounts) collectively will be referred to as “Clients” or individually, a “Client” for the purpose of this Brochure.

AREA does not impose a standard set of minimum fees or other conditional requirements for any Client relationships. For additional fee-related information, refer back to Item V.(A).

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

VIII.(A). Methods of Analysis and Strategies

Non-Trading Investment Vehicles – Methods of Analysis

AREA's investment approach focuses on fundamental real estate analysis but considers factors such as the macroeconomic environment, the direction of the business cycle, and local real estate market conditions. AREA's analysis methodology typically involves four key areas of activity: (1) screening, (2) due diligence, (3) structuring and negotiation, and (4) investment committee approval.

Screening:

Once an attractive investment opportunity has been identified, the appropriate Deal Leader will move quickly to evaluate the merits and risks associated with the investment. The Deal Leader evaluates investments by drawing upon his/her access to superior and proprietary information drawn from relationships with developers, joint venture partners, brokers and AREA's own experience as an owner of assets located in most major real estate markets. The Deal Leader will also call on the valuable skill sets of AREA's pool of Investment Professionals (“IPs”) and will seek to evaluate demographics, industry, market and tenaning trends, among other criteria. By identifying key risks, appropriate premiums are then intended to be included for local market, credit-worthiness of tenants, or other deal specific risks early in the process. If the Deal Leader determines the proposed investment can meet one of AREA's active fund's return hurdles on a risk-adjusted basis, then more extensive due diligence is undertaken.

Due Diligence:

Due diligence is an intensive analysis of key asset, market, tenant, and operating partner information, which is codified into a comprehensive financial underwriting model. This model typically includes a base case, a downside case, and various sensitivity analyses based on variances in key investment drivers. The Investment Deal Team (“IDT”) forms a thorough understanding of the underlying property market through the collective experience of AREA's IPs, by doing market research, making site visits, and reviewing market comparables. The IDT also endeavors to spend time with knowledgeable local parties, such as investment sales specialists, leasing agents, and other experts to assess the reasonableness of underwriting assumptions. A legal review of the investment structure and relevant documents is also undertaken, along with physical condition and environmental reviews.

Structuring and Negotiation:

In order to protect an Investment Vehicle's downside, the IDT will seek to structure investments so as to provide rights, protections, and remedies with respect to the purchase transaction and as to governance and major decisions for each joint venture investment (if any). The focus during this stage of the investment process is to mitigate risk and enhance the ability to preserve capital.

Investment Committee Approval:

The Investment Committee (“IC”) is kept informed throughout the life cycle of a potential investment via an iterative review process and constant dialogue. The IDT provides a preliminary summary early in the process to allow the IC to provide input and direction on the deal's parameters. As a potential investment progresses, more detailed underwriting analysis and assumptions are reviewed along with other due diligence findings, which generally includes the operating partner's perspective and motivations for pursuing this investment. The IC pays

particular attention to the risk and return on the prospective investment versus other alternatives to ensure that the Investment Vehicle is adequately compensated for the risk undertaken in the investment.

Non-Trading Investment Vehicles – Strategy

Regarding the general strategy of AREA in relation to its non-trading Investment Vehicle clients, the objective of AREA is to create a balanced portfolio of assets, both in terms of asset class and geographical spread.

AREA pursues assets held by financial institutions, government entities, developers, public and private companies and public and private security holders. AREA's extensive experience in pursuing this strategy through all parts of the real estate cycle and across a broad range of property types and investment structures has resulted in many valuable lessons learned and a further focusing of its investment strategy to capitalize on AREA's competitive strengths.

As has been the case historically, AREA focuses on situations where it holds a competitive advantage, which may be due to its well known ability to complete complex transactions, its expertise in creating solutions to financial or tax issues, and its ability to add value through intensive asset management and repositioning.

AREA's overall investment strategy is based on exploiting the arbitrage between the high demand and liquidity for stabilized, core real estate assets and the relatively low demand and liquidity for assets that require strong real estate skills to improve them. AREA seeks situations in which investments can be made at an attractive cost basis and in which value can be enhanced through intensive operational and financial management. AREA often sources investments by teaming up with joint venture partners with excellent access to off-market transaction flow. AREA seeks to add value, with proven local partners, through aggressive asset management.

Actively-Traded Investment Vehicles – Methods of Analysis

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis.

Charting / Technical

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Fundamental

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Cyclical

Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic conditions throughout time. As an example, as more and more people lose their jobs, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

Creditworthiness and Collateral

AREA will evaluate the creditworthiness of any counterparty to the transactions it facilitates on behalf of one of its actively-traded Investment Vehicles. Additionally, AREA will analyze (to the extent possible and practical) the creditworthiness of the tenants in the properties that may represent the underlying collateral or other assets underpinning the securities traded on behalf of one of AREA's actively-traded Investment Vehicles. Evaluation of collateral performance and value is critical to gaining an understanding of the potential residual or recovery value of an instrument in the event its issuer becomes insolvent.

Actively-Traded Investment Vehicles – Strategy

Regarding the general strategy of AREA in relation to its actively-traded Investment Vehicle clients, AREA seeks to build a diversified portfolio of “story” and distressed real estate debt securities across commercial real estate debt types and to exit the investments opportunistically as the credit issues associated with them are resolved. Securities are referred to as “story” when they have fallen out of favor with investors due to a variety of factors that may include tenant credit issues or property operating issues. “Distressed” investments are debt securities that are underperforming or non-performing due to insufficient cash-flow from the underlying collateral. AREA also opportunistically invests in cash and synthetic securities where arbitrage and convergence opportunities exist. AREA may utilize its property market relationships and investment partnerships to source investments and gather property market information to support its investment underwriting, portfolio management, and disposition analyses.

AREA's property and credit-driven strategy focuses on credit-based investment opportunities for which AREA's real estate and capital markets knowledge and expertise provide a competitive edge in pricing the investments. An actively-traded Investment Vehicle may invest in diverse categories of debt securities backed primarily by commercial real estate. These investments may include, but are not limited to, the following investment grade and below-investment grade securities: (i) CMBS; (ii) corporate debt issued by publicly traded REITs and real estate companies (“REIT Debt”); (iii) CRE CDOs; (iv) credit-tenant lease backed debt instruments (“CTL Debt”); (v) subordinated interests in first mortgage loans (“B-Notes”) and mezzanine loans; (vi) synthetics backed by CMBS, including CMBX, single name credit default swaps (“CDS”) and total return swaps on CMBS indices; (vii) REIT equities; and (viii) CRE-related equities. In aggregate, these markets represent over \$3 trillion of outstanding securities and notes.

Assets for actively-traded Investment Vehicles span several investment categories so as to maximize returns and minimize portfolio credit and market risk. Such assets are also diversified geographically and by asset type and duration. AREA employs a disciplined and opportunistic investment process. Accordingly, the relative proportions of an Investment Vehicle's investments falling within each of the investment types and other diversification matrices may vary over the life of the Investment Vehicle. It is anticipated that substantially all assets traded on behalf of an actively-traded Investment Vehicle will be in performing assets and that the effective LTV ratios relative to the underlying Investment Vehicle property assets will generally average less than 80%.

AREA seeks to hedge and mitigate investment risks other than credit and real estate risks to the extent practical in light of an Investment Vehicle's overall objectives. Leverage is utilized in a prudent and conservative manner, typically of one times but no more than three times an Investment Vehicle's total capital. Leverage is generally utilized at two-thirds to three-quarters of available asset borrowing levels to provide a cushion against potentially adverse marks-to-market. Matched-term funding structures are used, where possible, to minimize refinancing risk. AREA uses interest rate hedging instruments to manage interest rate exposure and the duration gap between assets and liabilities. A portion of any given Investment Vehicle's assets are expected to be relatively liquid, high-grade

securities which, in combination with planned maintenance of excess borrowing capacity under its secured funding arrangements, will be available to meet liquidity needs. Portfolio diversity is managed by investing across the categories of real estate debt securities that are typically imperfectly correlated.

VIII.(B). Material Risks

Investing in securities or other investment products involves the risk of loss and all clients should be prepared to bear such losses. The following list will identify and describe the most common risks associated with AREA's investment analysis methods and strategies. Depending on any individual Investment Vehicle managed by AREA, different or additional risk factors than those described below may apply. More detailed and specific risk factors are addressed in the individual Investment Vehicles' PPM.

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an

investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

Margin Risk

- You can lose more funds than you deposit in a margin account. A decline in value of securities that are purchased on margin may require you to provide additional funds to the custodian holding your margin account in order to avoid a forced sale of those securities or other securities in your account.
- The custodian holding your margin account can force the sale of securities in your margin account. If the equity in your account falls below the margin maintenance level required by law or below the custodian's "house" requirement, the custodian can sell the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such sale.
- Securities can be sold without contacting you prior to sale. Some investors mistakenly believe they must be contacted before a margin call becomes valid and that securities in their accounts cannot be liquidated to meet the call unless they have been contacted ahead of time. Most firms will attempt to notify you of margin calls, however, they are not required to do so. Even if the custodian has contacted you to provide a specific date by which you can meet a margin call, the custodian can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- You are not entitled to choose which securities in your margin account are liquidated or sold to meet your margin call. Because the securities are used as collateral for the margin loan, the custodian has the right to decide which securities to sell in order to protect its interests.
- The custodian can increase its "house" maintenance requirement at any time and is not required to provide you with advance, written notice. These changes in policy can take effect immediately and may result in the issuance of a margin maintenance call. Your failure to satisfy this call may cause a forced liquidation in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have the right to the extension.

Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect

any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

VIII.(C). Investment-Specific Risks

In light of the fact that our non-trading Investment Vehicles do not actively engage in securities trading activities and our actively-traded Investments do engage in such trading, this section will address activities with respect to our actively-traded Investment Vehicles. AREA's actively-traded Investment Vehicles trade in several different securities instruments, however, CMBS instruments are the most commonly traded securities instrument. A detailed description of the risk factors associated with CMBS instruments and other investment instruments traded on behalf of AREA's actively-traded Investment Vehicles can be found in the PPM for each such Investment Vehicle.

IX. Disciplinary Information

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the items below, we shall provide details as to each applicable matter or we will answer "No." This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

IX.(A). Criminal or Civil Action

In any domestic, foreign, or military court of competent jurisdiction, has AMH or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

IX.(B). Administrative Proceedings

Has AMH or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which AMH or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of AMH or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending AMH or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting AMH or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on AMH or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

IX.(C). SRO Proceedings

Has AMH or any of its management persons been involved in a SRO proceeding in which AMH or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that Clients need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to engaging AREA.

X.(A). Broker-Dealers

Neither AMH nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators

Neither AMH nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

X.(C). Other Related Persons

As described previously, AREA serves as the investment manager to one or more pooled investment vehicles (“Investment Vehicles”). Each of these Investment Vehicles and their associated investment manager(s) will be set forth below. In most cases, the investment managers identified below are wholly-owned and controlled by AMH. Additionally, the majority of the Investment Vehicle general partner entities named below are wholly-owned and controlled by AREA Sponsor Holdings, LLC (“ASH”). AMH and ASH are related persons by virtue of common control and ownership.

Investment Vehicles

Claros Real Estate Securities Fund, L.P. (“Claros Master”)

Claros Real Estate Securities Fund I, Ltd. (“Claros Feeder I”)

Claros Real Estate Securities Fund II, Ltd. (“Claros Feeder II”)

Claros Management, L.P. (“Claros Management”) serves as the investment manager to Claros Master, Claros Feeder I, and Claros Feeder II. Claros Management GP, LLC serves as the general partner to Claros Management. Claros Advisors, LLC (“Claros Advisors”) serves as the general partner for Claros Master, Claros Feeder I, and Claros Feeder II. Claros Management assists Claros Advisors with the investment and financing operations of Claros Master, including the identification, evaluation, acquisition, financing, management and disposition of assets. With the exception of such capital that Claros Management deems reasonably necessary or appropriate to pay any fees, expenses or other costs related to Claros Feeder I and Claros Feeder II, respectively, both Claros Feeder I and Claros Feeder II will invest all of their assets in Claros Master. Claros Master pays a management fee to Claros Management. Claros Advisors is expected to receive distributions, dividends and similar amounts from Claros Master, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Claros Management is wholly-owned and controlled by AMH. Claros Advisors is wholly-owned and controlled by ASH.

650 Madison Preferred REIT LLC (“650 REIT”)

AREA 650 Manager LLC (“650 Manager”) serves as the manager to 650 REIT. 650 Manager provides overall strategic direction for 650 REIT. Apollo FA assists 650 Manager in connection with matters such as investment and financing operations of 650 REIT, including the identification, evaluation, acquisition, financing, management and disposition of assets. 650 Manager is controlled and wholly owned by ASH. 650 Manager and certain affiliates and their principals and associates have made a capital commitment to 650 REIT. A portion of this remaining capital commitment is expected to be funded by ASH. 650 Manager is expected to receive distributions, dividends and similar amounts from 650 REIT, primarily consisting of returns of invested capital and profit thereon, carried interest, and similar amounts.

Apollo Real Estate Investment Fund III, L.P. (“AREIF III”)

Apollo Real Estate Management III, L.P. (“AREM III”) serves as the investment manager to AREIF III. Apollo Real Estate Management III, Inc. (“AREM III GP”) serves as the general partner of AREM III. Apollo Real Estate Advisors III, L.P. (“AREA III”) serves as the general partner of AREIF III. Apollo Real Estate Capital Advisors III, Inc. (“ARECA III”) serves as the general partner of AREA III. AREM III assists AREA III with the investment and financing operations of AREIF III, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, AREIF III pays a management fee to AREM III. AREA III is expected to receive distributions, dividends and similar amounts from AREIF III, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AREM III and AREM III GP are

wholly-owned and controlled by AMH. AREA III is wholly-owned and controlled by ARECA III. ARECA III is wholly-owned and controlled by one or more AREA management persons.

Apollo Real Estate Investment Fund IV, L.P. (“AREIF IV”)

AREA Property Partners Administration LP (“APPA”) serves as the investment manager to AREIF IV. Apollo Real Estate Management IV, Inc. (“AREM IV”) serves as the general partner of APPA. Apollo Real Estate Advisors IV, L.P. (“AREA IV”) serves as the general partner of AREIF IV. Apollo Real Estate Capital Advisors IV, Inc. (“ARECA IV”) serves as the general partner of AREA IV. APPA assists AREA IV with the investment and financing operations of AREIF IV, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, AREIF IV pays a management fee to APPA. AREA IV is expected to receive distributions, dividends and similar amounts from AREIF IV, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both APPA and AREM IV are wholly-owned and controlled by AMH. AREA IV is wholly-owned and controlled by ARECA IV. ARECA IV is wholly-owned and controlled by one or more AREA management persons.

APPA also employs the U.S. employees of AREA and in general terms, serves as a centralized administration company for AREA as a whole. In such role, APPA and its employees provide various services to the various AREA management companies (the “Management Companies”), including such services as may be necessary or appropriate in connection with a Management Company’s service as “investment manager” of an AREA Investment Vehicle. In exchange for such services, the Management Companies pay a fee to APPA.

Apollo Real Estate Investment Fund V, L.P. (“AREIF V”)

Apollo Real Estate Parallel Fund V-A, L.P. (“AREPF V-A”)

Apollo Real Estate Parallel Fund V-B, L.P. (“AREPF V-B”)

Apollo Real Estate Parallel Fund V-C, L.P. (“AREPF V-C”)

Apollo Real Estate Management V, L.P. (“AREM V”) serves as the investment manager to AREIF V, AREPF V-A, AREPF V-B, and AREPF V-C. Apollo Real Estate Management GP V, LLC (“AREM GP V”) serves as the general partner for AREM V. Apollo Real Estate Advisors V, L.P. (“AREA V”) serves as the general partner of AREIF V as well as AREPF V-A, AREPF V-B, and AREPF V-C. Apollo Real Estate Capital Advisors V, LLC (“ARECA V”) serves as the GP for AREA V. AREM V assists AREA V with the investment and financing operations of AREIF V, AREPF V-A, AREPF V-B, and AREPF V-C, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, AREIF V, AREPF V-A, AREPF V-B, and AREPF V-C pay a management fee to AREM V. AREA V is expected to receive distributions, dividends and similar amounts from AREIF V, AREPF V-A, AREPF V-B, and AREPF V-C, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AREM V and AREM GP V are wholly-owned and controlled by AMH. AREA V is wholly-owned and controlled by ARECA V. ARECA V is wholly-owned and controlled by one or more AREA management persons.

AREA Real Estate Opportunity Fund VI, L.P. (“AREOF VI”)

AREA Real Estate Management VI, L.P. (“AREM VI”) serves as the investment manager to AREOF VI. AREA Real Estate Management GP VI, LLC (“AREM GP VI”) serves as the general partner for AREM VI. AREA Real Estate Advisors VI, L.P. (“AREA VI”) serves as the general partner of AREOF VI. AREA Real Estate Capital Advisors VI, LLC (“ARECA VI”) serves as the general partner of AREA VI. AREM VI assists AREA VI with the investment and financing operations of AREOF VI, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, AREOF VI pays a management fee to AREM VI. AREA VI is expected to receive distributions, dividends and similar amounts from AREOF VI, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AREM VI and AREM GP VI are wholly-owned and controlled by AMH. Both AREA VI and ARECA VI are wholly-owned and controlled by ASH.

Value Enhancement Fund II, LLC (“VEF II”)

VEF Group Management, LLC (“VEF GM”) serves as the investment manager to VEF II. VEF Advisors, LLC (“VEF Advisors”) is the sole member of VEF GM. VEF Group Incentive, LLC (“VEF GI”) serves as the managing member for VEF II. AP-VEF LLC is the managing member of VEF GI. VEF GM assists VEF GI with the investment and financing operations of VEF II, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF II pays a management fee to VEF GM.

VEF GI is expected to receive distributions, dividends and similar amounts from VEF II, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF GI is majority owned by its managing member, AP-VEF LLC. AP-VEF LLC is majority-owned and controlled by various AREA management persons and other associated persons. VEF Advisors is wholly-owned and controlled by AMH.

Value Enhancement Fund IV, LP (“VEF IV”)

VEF GM serves as the investment manager to VEF IV. VEF Advisors, LLC (“VEF Advisors”) is the sole member of VEF GM. VEF Group Incentive, LLC (“VEF GI”) serves as the general partner for VEF IV. AP-VEF LLC is the managing member of VEF GI. VEF GM assists VEF GI with the investment and financing operations of VEF IV, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF IV pays a management fee to VEF GM. VEF GI is expected to receive distributions, dividends and similar amounts from VEF IV, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF GI is majority owned by its managing member, AP-VEF LLC. AP-VEF LLC is owned and controlled by various AREA management persons and other associated persons. VEF Advisors is wholly-owned and controlled by AMH.

Value Enhancement Fund V, LP (“VEF V”)

VEF GM serves as the investment manager to VEF V. VEF Advisors, LLC (“VEF Advisors”) is the sole member of VEF GM. VEF Group Incentive, LLC (“VEF GI”) serves as the general partner for VEF V. AP-VEF LLC is the managing member of VEF GI. VEF GM assists VEF GI with the investment and financing operations of VEF V, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF V pays a management fee to VEF GM. VEF GI is expected to receive distributions, dividends and similar amounts from VEF V, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF GI is majority owned by its managing member, AP-VEF LLC. AP-VEF LLC is owned and controlled by various AREA management persons and other associated persons. VEF Advisors is wholly-owned and controlled by AMH.

Value Enhancement Fund V International Project Holding, L.P. (“VEF VIPH”)

VEF GM serves as the investment manager to VEF VIPH. VEF Advisors, LLC (“VEF Advisors”) is the sole member of VEF GM. VEF Group Incentive, LLC (“VEF GI”) serves as the general partner for VEF VIPH. AP-VEF LLC is the managing member of VEF GI. VEF GM assists VEF GI with the investment and financing operations of VEF VIPH, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF VIPH pays a management fee to VEF GM. VEF GI is expected to receive distributions, dividends and similar amounts from VEF VIPH, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF GI is majority owned by its managing member, AP-VEF LLC. AP-VEF LLC is owned and controlled by various AREA management persons and other associated persons. VEF Advisors is wholly-owned and controlled by AMH.

Value Enhancement Fund VI, LP (“VEF VI”)

VEF GM serves as the investment manager to VEF VI. VEF Advisors, LLC (“VEF Advisors”) is the sole member of VEF GM. VEF VI Group Incentive, LLC (“VEF VI GI”) serves as the general partner for VEF VI. VEF Advisors is the managing member of VEF VI GI. VEF GM assists VEF VI GI with the investment and financing operations of VEF VI, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF VI pays a management fee to VEF GM. VEF VI GI is expected to receive distributions, dividends and similar amounts from VEF VI, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF Advisors is wholly-owned and controlled by AMH. VEF VI GI is owned and controlled by various AREA management persons and other associated persons.

Apollo Value Enhancement Fund VII, L.P. (“VEF VII”) and Apollo Value Enhancement Fund VII 892, L.P. (“VEF VII 892”)

Apollo VEF VII Management, LLC (“VEF VII Mgt.”) serves as the investment manager to Apollo Value Enhancement Fund VII, L.P. (“VEF VII”) and Apollo Value Enhancement Fund VII 892, L.P. (“VEF VII 892”). Apollo VEF VII Advisors, L.P. (“VEF VII Advisors”) serves as the general partner of VEF VII and VEF VII 892. Apollo VEF VII Capital Advisors, LLC (“VEF VII CA”) serves as the general partner for VEF VII Advisors. VEF VII Mgt. assists VEF VII Advisors with the investment and financing operations of both VEF VII and VEF VII 892, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange

for such services, both VEF VII and VEF VII 892 pay a management fee to VEF VII Mgt. VEF VII Advisors is expected to receive distributions, dividends and similar amounts from VEF VII and VEF VII 892, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF VII Mgt. is wholly-owned and controlled by AMH. Both VEF VII Advisors and VEF VII CA are wholly-owned and controlled by ASH.

AREA Value Enhancement Fund VIII, L.P. (“VEF VIII”)

AREA VEF VIII Management, LLC (“VEF VIII Mgt.”) serves as the investment manager of VEF VIII. AREA VEF Advisors VIII, L.P. (“VEF Advisors VIII”) serves as the general partner of VEF VIII. VEF Advisors VIII provides overall strategic direction for VEF VIII. VEF VIII Mgt. assists VEF Advisors VIII in connection with matters such as investment and financing operations of VEF VIII, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, VEF VIII pays a management fee to VEF VIII Mgt. VEF Advisors VIII is expected to receive distributions, dividends and similar amounts from VEF VIII, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. VEF VIII Mgt. is wholly-owned and controlled by AMH. VEF Advisors VIII is wholly-owned and controlled by ASH.

**Apollo Domestic Emerging Markets Fund, L.P. (“ADEM”) and
Apollo Domestic Emerging Markets (Delaware Parallel) Fund, L.P. (“ADEM DP”)**

ADEM Management, LLC (“ADEM Mgt.”) serves as the investment manager to ADEM and ADEM DP. ADEM Advisors, LLC (“ADEM Advisors”) serves as the general partner of ADEM and ADEM DP. ADEM Mgt. assists ADEM Advisors with the investment and financing operations of ADEM and ADEM DP, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, both ADEM and ADEM DP pay a management fee to ADEM Mgt. ADEM Advisors is expected to receive distributions, dividends and similar amounts from ADEM and ADEM DP, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. ADEM Mgt. is wholly-owned and controlled by AMH. ADEM Advisors is wholly-owned and controlled by ASH.

Apollo International Real Estate Fund, L.P. (“AIREF”)

Apollo International Real Estate Fund (EU), L.P. (“AIREF EU”)

Apollo International Real Estate Management, L.P. (“AIREM”) serves as the investment manager for AIREF. Apollo International Real Estate Management, Inc. (“AIREM GP”) serves as the general partner for AIREM. Apollo International Real Estate Advisors, LP (“AIREA”) serves as the general partner for AIREF and AIREF EU. Apollo International Real Estate Capital Advisors, L.P. (“AIRECA”) serves as the general partner for AIREA. AIREM assists AIREA with the investment and financing operations of AIREF and AIREF EU, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, AIREF and AIREF EU pay a management fee to AIREM. AIREA is expected to receive distributions, dividends and similar amounts from AIREF and AIREF EU, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AIREM and AIREM GP are wholly-owned and controlled by AMH. AIREA is wholly-owned and controlled by AIRECA. AIRECA is wholly-owned and controlled by one or more AREA management persons.

Apollo European Real Estate Fund II, L.P. (“EU II”)

Apollo European Real Estate Fund II (Euro), L.P. (“EU II Euro”)

Apollo EU Real Estate Management II, L.P. (“AEUREM II”) serves as the investment manager to EU II and EU II Euro as well as one or more co-investment entities related to EU II and/or EU II Euro. Apollo EU Real Estate Management GP II, LLC (“AEUREM GP II”) serves as the general partner to AEUREM II. Apollo EU Real Estate Advisors II, L.P. (“AEUREA II”) serves as the general partner to EU II and EU II Euro. Apollo Real Estate Capital Advisors GP II, LLC (“ARECA GP II”) serves as the general partner of AUREA II. AEUREM II assists AEUREA II with the investment and financing operations of EU II and EU II Euro, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, EU II and EU II Euro pay a management fee to AEUREM II. AEUREA II is expected to receive distributions, dividends and similar amounts from EU II and EU II Euro, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. AEUREM II is wholly-owned and controlled by AMH. AEUREA II is wholly-owned and controlled by ARECA GP II. ARECA GP II is wholly-owned and controlled by one or more AREA management persons.

Apollo European Real Estate Fund III, L.P. (“EU III”)

Apollo European Real Estate Fund III (Euro), L.P. (“EU III Euro”)

Apollo EU Real Estate Management III, L.P. (“AEUREM III”) serves as the investment manager to EU III and EU III Euro as well as one or more co-investment entities related to EU III and/or EU III Euro. Apollo EU Real Estate Management GP III, LLC (“AEUREM GP III”) serves as the general partner to AEUREM III. Apollo EU Real Estate Advisors III, L.P. (“AEUREA III”) serves as the general partner of EU III and EU III Euro. Apollo EU Real Estate Advisors GP III, LLC (“AEUREA GP III”) serves as the general partner to AEUREA III. AEUREM III assists AEUREA III with the investment and financing operations of both EU III and EU III Euro, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, both EU III and EU III Euro pay a management fee to AEUREM III. AEUREA III is expected to receive distributions, dividends and similar amounts from EU III and EU III Euro, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AEUREM III and AEUREM GP III are wholly-owned and controlled by AMH. Both AEUREA III and AEUREA GP III are wholly-owned and controlled by AREA Sponsor Holdings, LLC.

Apollo European Real Estate (Cayman) Feeder Fund III, L.P. (“EU Feeder III”)

Apollo European Real Estate (Cayman) Feeder Fund III (Euro), L.P. (“EU Feeder III Euro”)

AEUREM III serves as the investment manager to EU Feeder III and EU Feeder III Euro. AEUREM GP III serves as the general partner to AEUREM III. Apollo EU Real Estate Advisors III (Cayman GP), LLC (“AEUREA III CGP”) serves as the general partner for EU Feeder III and EU Feeder III Euro. In such role, the AEUREA III CGP provides overall strategic direction for EU Feeder III and EU Feeder III Euro. AEUREM III assists AEUREA III CGP in connection with matters such as investment and financing operations of EU Feeder III and EU Feeder III Euro, including the identification, evaluation, acquisition, financing, management and disposition of assets. AEUREA III CGP is wholly-owned and controlled by AEUREA III. AEUREA III CGP and certain affiliates and their principals and associates have made a capital commitment EU Feeder III and EU Feeder III Euro. AEUREA III CGP is expected to receive distributions, dividends and similar amounts from EU Feeder III and EU Feeder III Euro, primarily consisting of returns of any invested capital and profit thereon, carried interest and similar amounts.

AREA European Real Estate Fund IV, L.P. (“EU IV”)

AREA European Real Estate Management IV, L.P. (“AEREM IV”) serves as the investment manager to EU IV. AREA European Real Estate Management GP IV, LLC (“AEREM GP IV”) serves as the general partner of AEREM IV. AREA European Real Estate Advisors IV, LP (“AEREA IV”) serves as the general partner to EU IV. AREA European Real Estate Advisors GP IV, LLC (“AEREA GP IV”) serves as the general partner of AEREA IV. AEREA IV provides overall strategic direction for EU IV. AEREM IV assists AEREA IV in connection with matters such as investment and financing operations of EU IV, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, EU IV pays a management fee to AEREM IV. AEREA IV is expected to receive distributions, dividends and similar amounts from EU IV, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. AEREM IV and AEREM GP IV are wholly-owned and controlled by AMH. AEREA IV and AEREA GP IV are wholly-owned and controlled by ASH.

Apollo-GMAC Real Estate Mezzanine Fund, L.P. (“GMAC RE Mezz”)

Apollo Real Estate Mezzanine Management, L.P. (“AREMM”) serves as the investment manager to GMAC RE Mezz. Apollo Real Estate Mezzanine Management, Inc. (“AREMM GP”) serves as the general partner to AREMM. Apollo Real Estate Mezzanine Advisors LP (“AREMA LP”) serves as the general partner to GMAC RE Mezz. Apollo Real Estate Mezzanine Advisors, Inc. (“AREMA Inc.”) serves as the general partner of AREMA LP. AREMM assists AREMA LP with the investment and financing operations of GMAC RE Mezz, including the identification, evaluation, acquisition, financing, management and disposition of assets. In exchange for such services, GMAC RE Mezz pays a management fee to AREMM. AREMA LP is expected to receive distributions, dividends and similar amounts from GMAC RE Mezz, primarily consisting of returns of any invested capital and profit thereon, carried interest, and similar amounts. Both AREMM and AREMM GP are wholly-owned and controlled by AMH. AREMA LP is wholly-owned and controlled by AREMA Inc. AREMA Inc. is wholly-owned and controlled by one or more AMH management persons.

Affiliated Investment Managers

AREA Property Partnership (UK) LLP (“AUK LLP”)

AREA Property Partners (UK) Ltd. (“AUK LTD”)

AUK LLP is an investment advisor authorized by the Financial Services Authority (“FSA”) in the United Kingdom to carry on certain regulated financial services activities. AUK LLP serves as an adviser to AMH and various AMH’s subsidiary investment management entities. In such role, AUK LLP provides advisory services to AMH regarding the investment and financing operations of various Investment Vehicles managed by one or more of AMH’s subsidiary investment managers. In exchange for such services, AMH pays a service fee to AUK LLP. AUK LLP is majority-owned and controlled by AUK LTD and the balance of AUK LLP’s ownership is held by various AREA management persons. AUK LTD is wholly-owned and controlled by AMH.

Affiliated Fund Sponsors

AREA Property Partners, L.P. (“APP”)

In name only, APP also serves as the enterprise-wide sponsor of all Investment Vehicles managed under the AREA organization. APP’s name is a synonym for the entire AREA business. APP also executes confidentiality and non-disclosure agreements and engagement letters and IT engagements on behalf of the AREA family of companies. AREA Property Partners GP, LLC (“APP GP”) serves as the general partner for APP. APP has no revenues and both APP and APP GP are wholly-owned and controlled by AMH.

AREA Sponsor Holdings (“ASH”)

ASH serves as the holding company for, and manages and controls, its subsidiaries and engages in such businesses and activities as are necessary or appropriate in connection therewith. These subsidiaries include the general partners of certain AMH Investment Vehicles, as described herein. ASH is expected to receive distributions, dividends and similar amounts from its subsidiaries, primarily consisting of returns of invested capital and profit thereon, carried interest, and similar amounts. ASH is also expected to fund a portion of the customary “sponsor” or “general partner” commitment to certain current and future AREA Investment Vehicles. ASH is owned 35% by nabInvest Capital Partners Pty Limited, an affiliate of National Australia Bank Limited and 65% by various AREA partners and control persons.

Conflicts of Interest

The relationships and arrangements described above present certain conflicts of interest.

Certain inherent conflicts of interest arise from the fact that (1) AMH will provide investment management services to more than one client and (2) AMH is affiliated with other investment managers that provide investment management services to AMH Investment Vehicles that may also have overlapping investment objectives. Also, the portfolio strategies employed by AMH for current and future clients and by investment managers for other AMH Investment Vehicles could conflict with one another, and may affect the prices and availability of the assets in which such clients invest. Certain clients of AMH have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one AMH Investment Vehicle. In such cases, participation in such opportunities will be allocated pursuant to AMH’s allocation policy and procedures. Such considerations may result in allocations of certain investments among AMH Investment Vehicles on other than a pari passu basis. More information concerning AMH’s allocation policy and procedures is provided in this Brochure.

Additional conflicts of interest may arise because certain AMH management persons (including AMH personnel) may serve as directors of the companies in which AMH Investment Vehicles invest. In addition to any fiduciary duties the AMH management persons owe to the AMH Investment Vehicles, as directors of portfolio companies, these AMH management persons owe fiduciary duties to the shareholders of the portfolio companies and to persons other than AMH Investment Vehicle clients. In general such director positions may have the effect of enhancing the ability of AMH and its affiliates to manage investments. Such positions, however, may have the effect of impairing the ability of AMH to sell the related assets when, and upon the terms, it may otherwise desire. In addition, such

positions may place the AMH management persons in a position where they must suggest or make a decision that is either not in the best interests of AMH Investment Vehicle clients or not in the best interests of the shareholders of the company for whom they serve as director(s). Should an AMH management person make a decision that is not in the best interest of the shareholders of such a company, such decision may subject AMH and potentially its Investment Vehicles to claims that they would not otherwise be subject to, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, AMH Investment Vehicle clients will indemnify AMH and its management persons from such claims. In addition, because of the potential conflicting fiduciary duties, AMH may be restricted in choosing assets for Investment Vehicle clients, which could negatively impact returns experienced by those clients.

AMH investment managers and their personnel may have conflicts in allocating their time and services among clients. AMH investment managers and their personnel will work on other projects; including other AMH Investment Vehicles and AMH's other existing and potential business activities. Each of AMH's Investment Vehicle clients may pay different levels of fees and thus, an incentive may exist to spend more time on or put additional effort into certain Investment Vehicles that pay higher fees than other Investment Vehicles.

An associated person of AMH or one of its investment manager affiliates may, from time to time, come into possession of material non-public information in relation to certain parties that may be involved with one or more transactions contemplated on behalf of one of AMH's Investment Vehicle clients. Such associated persons are subject to trading restrictions and may be prohibited from engaging in any transactions with respect to the securities or instruments of any company to whom the material, non-public information relates. Such a prohibition may have an adverse effect on AMH's Investment Vehicle clients.

AMH currently operates without certain screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from AMH's decision not to implement such barriers, AMH's General Counsel maintains a list of restricted securities as to which AMH and its associated persons may have access to material non-public information and in which AMH associated persons are prohibited from trading in those securities for themselves or on behalf of any AMH Investment Vehicle clients. In such an event, AMH may be restricted from acquiring or disposing of certain investments on behalf of its Investment Vehicle clients, which could impact the returns generated for such clients.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in AMH or one of its associated persons buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on AMH's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact AMH's ability to perform its investment management services to its Investment Vehicle clients. In addition, while AMH currently operates without information barriers on an integrated basis, AMH could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such an event, AMH's ability to operate as an integrated platform could also be impaired, which could limit or significantly alter AMH's access to certain AMH associated persons and impair its ability to manage certain assets on behalf of its Investment Vehicle clients.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment, and other activities of AMH, its affiliates, and their respective personnel. AMH will endeavor to resolve conflicts with respect to investment opportunities contemplated on behalf of its Investment Vehicle clients in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Generally speaking, Investment Vehicles managed by AMH each have an Advisory Board in place. A primary objective of the Advisory Board is to address and deal with conflicts such as the ones described in this paragraph.

Certain associated persons and affiliates of AMH may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of an Investment Vehicle client. AMH and/or its investment manager subsidiaries may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given or action taken for an Investment Vehicle

client. These activities may adversely affect the prices and availability of securities or other instruments held by or potentially considered for, one or more of AMH's Investment Vehicle clients.

Potential conflicts also may arise due to the fact that the AMH and/or its investment manager affiliates may hold investments in some Investment Vehicle clients (generally not directly) but not in others or may have different levels of investments in the various Investment Vehicle clients (generally not directly).

Additionally, AMH may give advice or take action with respect to the assets of one or more Investment Vehicle client that may not be given or taken with respect to other Investment Vehicle clients with similar investment programs, objectives, and strategies. Accordingly, Investment Vehicle clients sharing similar strategies may not hold the same securities or instruments or achieve the same performance. AMH may also advise certain Investment Vehicle clients with conflicting investment objectives or strategies. These activities may also adversely affect the prices and availability of securities or other instruments held by or potentially considered for one or more Investment Vehicle client.

From time to time, AMH may acquire securities or other financial instruments of an issuer for one Investment Vehicle client which are senior or junior securities or financial instruments of the same issuer that are held by, or acquired for, another Investment Vehicle client (i.e., one Investment Vehicle client may acquire senior debt while another Investment Vehicle client may acquire subordinated debt). For example, in the event such issuer enters bankruptcy, the Investment Vehicle holding securities which are senior in bankruptcy preference may have the right to aggressively pursue the issuer's assets to fully satisfy the issuer's indebtedness to the Investment Vehicle client, and as a fiduciary, the applicable AMH investment manager would have an obligation to pursue such remedy on behalf of such Investment Vehicle client. As a result, an Investment Vehicle client holding assets of the same issuer which are more junior in the capital structure may not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and may suffer a loss. AMH recognizes that conflicts may arise under such circumstances and will endeavor to treat all AMH Investment Vehicles fairly and equitably. To that end, AMH's investment committee(s) are charged with identifying and addressing any such conflicts and to ensure that the AMH Investment Vehicles are treated fairly and equitably.

How we Address Conflicts of Interest

First and foremost, we address this conflict by disclosing it to you in this Brochure. As a matter of general policy, we aggressively discourage activities that put a client's interests anywhere but first. Additionally, we have instituted a comprehensive supervisory program, detailed in our Written Supervisory Procedures and Compliance Manual ("WSPs") that was designed to address, among other things, conflicts of interest such as the relationship and arrangements described herein.

In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being carried out adequately and in a timely manner.

We also have formed a Compliance Committee that consists of AREA's Chief Compliance Officer, General Counsel, and Global CFO. The primary purpose of the Compliance Committee is to help direct and shape the overall compliance and supervisory structure of AREA as it relates to the applicable rules and regulations under the Advisers Act. The Compliance Committee will also consider and address situations that may represent conflicts of interest with respect to AREA's overall investment advisory business or its clients.

Another mechanism that is used to address certain conflicts of interest is an Advisory Board, which is put into operation with regard to various Investment Vehicles that AREA manages. One of the key functions of the Advisory Board(s) is to consider and address potential conflicts of interest that may occur with regard to assets within the fund and relationships involving those assets and any related persons of AMH or other outside parties, etc. The Advisory Board(s) is also actively involved in the reviewing the valuation determinations of the assets held within the Investment Vehicle(s).

As described above, since participation in specific investment opportunities may be appropriate, at times, for more than one Investment Vehicle, AMH has established policies and procedures for allocating investment opportunities among such clients. The procedures have been adopted to ensure that each Investment Vehicle is treated in a manner that, over time, is fair and equitable and to take into account the fact that certain Investment Vehicles may have broad investment mandates that overlap. AMH will allocate such opportunities among the Investment Vehicles on a basis that AMH determines in good faith to be appropriate, taking into consideration factors including, but not limited to, the following:

- the fiduciary duties that AMH owes to its Investment Vehicle clients;
- each Investment Vehicle's primary mandate;
- the relative amounts of capital available for investment (taking into account applicable reserves) and any restrictions on investment;
- the sourcing of the transaction;
- the size of the transaction;
- the amount of potential follow-on investing that may be required for such investment and other portfolio investments;
- the nature of the investment focus of each Investment Vehicle;
- portfolio balance;
- the involvement of respective teams of investment professionals; and
- any other factors deemed applicable by AMH in good faith.

The investment allocation policy may be amended by AMH at any time without the consent of any Investment Vehicle clients.

As stated above, in an effort to inform Clients of these conflicts of interest, we have prepared this Brochure and have provided it to our Clients, in part, for the purpose of disclosing these conflicts. Clients and investors are always welcome to request a current copy of our Brochure. We are obligated to provide Clients a copy of this Brochure no later than the time at which a Management Agreement is executed with the Client. Additionally and on an annual basis, we are required to provide Clients either (1) a copy of our current Brochure or (2) a set of instructions as to how each client can request a copy of our current Brochure.

X.(D) Use of Other Investment Advisers

As described previously in this Brochure, either AMH or one or more of its affiliated investment managers may carry out the actual investment advisory activities on behalf of AMH. Aside from such arrangements, we do not use other investment advisers in the course of the services described above in Item IV.(B).

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

XI.A Code of Ethics

We take great pride in our commitment to serving our Clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information

- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our associated persons has been furnished with a copy of our Code and our supervised persons have signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective Clients upon request.

XI.(B) Participation in Client Trading

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to our clients.

From time to time, one or more of our management persons may hold board positions with certain companies ("Public Issuers") whose securities are subject to a registration with the SEC (i.e. publicly-registered securities). In most cases, these management persons are compensated (generally, cash compensation) for the performance of their duties as board members.

The occasion may arise where securities issued by such Public Issuers may fit (or may no longer fit) the investment profile and objectives of one or more of the Investment Vehicles managed by AREA. Subject to investment committee review and approval, AREA may recommend the purchase or sale of such securities to its Investment Vehicles. These arrangements present a conflict of interest, however, we address this conflict in two primary ways. First and foremost, all securities recommendations are reviewed by each Investment Vehicle's Investment Committee, thus involving the same general review process undertaken for any proposed transaction considered by the Investment Committee(s). Secondly, each Investment Vehicle has an advisory board that is comprised of individuals associated with AREA as well as certain limited partners of the Investment Vehicle. The primary purpose of the advisory board is to address any potential or actual conflicts of interest that could impact the Investment Vehicle. An Investment Vehicle's advisory board has the opportunity to voice any concerns related to any transactions undertaken by that Investment Vehicle.

XI.(C) Trading Alongside Our Clients

On occasion, either AREA or certain of its related persons may invest for its own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the benefit of our Clients. Further, we may also engage in transactions that are the same as or different than transactions carried out for the benefit of our Clients. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a Client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our access persons quarterly or more frequently if required.

Investment Policy

None of our access persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our Clients, unless in accordance with the following procedures.

Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our Clients buy any security, no access person may purchase that security prior to a Client's purchase of that security; and

- 2) If we are recommending that any of our Clients sell any security, no access person may sell that security prior to a Client's sale of that security.

It is the primary intent of these procedures to ensure that the best interests of our Clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our Clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

XI.(D) Trading Around the Same Time as Clients

The information in this item is intended to address situations in which we or any of our related persons may invest in the investment instruments we may recommend to Clients. See Item XI.(C) for additional details.

XII. Brokerage Practices

The purpose of this Item is to present to the factors that we take into consideration when (1) selecting broker-dealers for the purpose of effecting transactions on behalf of our Clients (i.e. actively-traded Investment Vehicles) and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

AMH will generally recommend that all the Client's (i.e. actively-traded Investment Vehicles) transactions be effected at, by, or through certain other firms that are unaffiliated with AMH. Although not all-inclusive, AMH may recommend the following brokers of record and their corresponding custodian.

Firm Name	Role
Barclays Capital Inc.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Cantor Fitzgerald & Co.	<input type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input checked="" type="checkbox"/> Both
Citigroup Global Markets Inc.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Credit Suisse First Boston Corporation	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Deutsche Bank Securities Inc.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Goldman, Sachs & Co.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Jefferies & Company, Inc.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
J.P. Morgan Securities LLC	<input type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input checked="" type="checkbox"/> Both
Morgan Stanley & Co. Incorporated	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
RBS Securities Inc.	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Stifel, Nicolaus & Company, Incorporated	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both
Wells Fargo Securities, LLC	<input checked="" type="checkbox"/> BD; <input type="checkbox"/> Custodian; <input type="checkbox"/> Both

Factors that we consider in recommending certain broker-dealers or custodians to our Clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our supervised persons may receive certain support services that may assist us in our investment decision-making process for all of our clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for a Client's transactions.

XII.(A).(1). Research and Soft Dollar Benefits

The SEC has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the direction by the adviser of client brokerage transactions to the broker-dealer.⁷ An individual or firm must exercise "investment discretion" over an account, as defined in Section 3(a)(35) of the Exchange Act, in order to use client commissions to obtain research under Section 28(e) of the Exchange Act ("Section 28(e)"). We do participate in soft dollar arrangements.

XII.(A).(2). Brokerage for Client Referrals

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

XII.(A).(3). Directed Brokerage

This item is intended to address situations where we may recommend, request, or require Clients to provide us instructions as to how to direct brokerage activity on their behalf.

XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that Clients direct us as to how to execute brokerage transactions on their behalf (i.e. using a particular broker-dealer for execution purposes).

XII.(A).(3)(b). Directed Brokerage – Permitted

We do not permit Clients to dictate how to direct brokerage activities.

XII.(B). Order Batching

In light of the limited number of actively-traded investment fund Clients we have and the fact that the types of securities instruments we trade in on behalf of our actively-traded Investment Vehicle Clients do not lend themselves to batched trading, we do not engage in order batching or bunching.

XIII. Review of Accounts

XIII.(A). Review of Accounts

We will review Client portfolios on an ongoing basis, but no less frequently than a quarterly basis for actively-traded Investment Vehicles and at least an annual basis for non-trading Investment Vehicles. The designated reviewer(s) will review portfolios for things such as best execution (to the extent applicable) and overall suitability and consistency of any trading activity with regard to the investment objective(s) of the particular Investment Vehicle. As part of this review process, the designated reviewer(s) generally will review the performance and cost basis for transactions. During the quarterly review process, not all transactions will be reviewed, rather, the designated reviewer(s) typically will perform a sampling-based review.

The periodic review process described above will be performed by the AMH personnel with the following titles.

- Portfolio Manager(s) (for non-trading Investment Vehicles)
- Head Trader (for actively-traded Investment Vehicles)

XIII.(B). Non-Periodic Account Reviews

Not applicable, see Item XIII.(A).

XIII.(C). Reports to Clients

We typically prepare quarterly reports which will be sent to participants in our Investment Vehicles. The specifics of each such report will vary based on each individual Investment Vehicle as well as the particular investor. In addition, the general partner or managing member of any Investment Vehicle that is managed by AMH will ensure

that all investors are provided a copy of the annual audit report within 120 days of the fiscal year-end of the Investment Vehicle (for each Investment Vehicle subject to an annual financial audit). In a fund of funds scenario, the annual audit report must be provided within 180 days of the Investment Vehicle's fiscal year end. Please refer to the offering materials for each specific Investment Vehicle for further details.

XIV. Client Referrals and Other Compensation

XIV.(A). Compensation we Receive

Other than the compensation arrangements described above in Item V.(B), AMH does not receive any other compensation in connection with the investment advisory services provided to our Clients.

XIV.(B). Compensation we Pay

Under certain circumstances, firms like ours may compensate other parties for having referred Clients or potential investment advisory clients. These sorts of arrangements are generally referred to as "solicitor" arrangements. We do not participate in any solicitor arrangements.

XV. Custody

We engage in certain activities that result in us being deemed to have custody of certain of our Client's funds and/or securities. In the event that a qualified custodian is used to maintain physical possession and control of such funds and/or securities, the qualified custodian will send periodic account statements directly to our Clients. Please also refer to Item XIII.(C) for additional details regarding annual audit reports that will be issued to investors in the Investment Vehicles we manage.

XVI. Investment Discretion

In connection with our investment advisory services, we will generally seek and obtain a Client's authorization to carry out part or all of our services on a purely discretionary basis. We will memorialize any such authorization of our discretionary authority in our Management Agreement(s).

We will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on a Client's behalf;
- 2) The amount of securities to be bought or sold on a Client's behalf;
- 3) Timing as to when such securities are to be bought or sold; and
- 4) The particular broker or dealer to be used for arranging client securities transactions.

We will have authority to exercise complete discretion with regard to the above named factors without restriction. The discretionary authority described in this Item relates primarily to our actively-traded Investment Vehicles that engage in active trading of securities instruments.

XVII. Voting Client Securities

XVII.(A). Proxy Voting

Proxy Voting Policies and Procedures and Client Instruction

In the event that a Client has authorized (via the Agreement) us to vote proxies on its behalf, we will perform the voting process subject to the following information and procedures. In an effort to assure that Clients' proxy votes

are carried out in our Clients' best interests and not affected by any conflicts of interest that may exist, we have adopted the following elements as part of our proxy voting policy.

Regardless of the nature of the issue up for vote, we thoroughly and objectively research the voting options and the corporate landscape in order to arrive at a decision that we believe meets the best interests of our Clients as shareholders of the company in question. The overriding theme of our policy is to vote Client proxies in the manner that we believe is most consistent with the following:

- The Client's stated investment objectives;
- The Client's desired voting interests;
- The long-term well-being of the company soliciting the proxy; and
- An increase in shareholder value.

Conflicts of Interest...

We recognize that conflicts of interest may arise when voting Client proxies. A conflict of interest exists when a Client's best interests are contrary to our best interests due to some relationship between the us and/or our associated persons and a company that is soliciting a proxy. Some examples may include:

- The spouse of one of our associated persons is a board member of a company whose management is soliciting proxies to vote on a salary increase for the board.
- We are an affiliated company of a company that has issued a proxy notice to individuals who are our clients.
- We or one or more of our affiliates may manage a pension plan, administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies.

It is our policy to vote proxies in the best interests of our Clients regardless of the existence of any conflict of interest.

As authorized in our Agreement, we may exercise complete discretionary voting authority in relation to proxy notices that we receive on our Clients' behalf. If no apparent conflict of interest exists in relation to our exercise of our voting authority on our Clients' behalf, we shall vote all such proxies as we see fit and in each applicable Client's best interest.

Under certain circumstances, the most prudent action on our part may be NOT to vote a proxy(s). Under such circumstances, we shall ensure that appropriate records are maintained so as to justify not having voted such proxy(s).

How to obtain our proxy voting record...

We will ensure that a complete record is retained of the initial proxy notice and the subsequent vote that we cast on our Clients' behalf. For a copy of our proxy voting record on a Client's behalf, applicable Clients may write or call us at:

AREA Management Holdings
Attention: Chief Compliance Officer
Two Manhattanville Road, Suite 203
Purchase, NY 10577
914-304-8300
914-304-8301...fax
CCO@areaprop.com

XVII.(B). Proxy Voting

In the event a Client has authorized us to vote proxies on its behalf, we will do so in accordance with the information provided above in XVII.(A). Proxies related to the securities owned by a Client will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork required by the custodian (as applicable) holding a Client's account/assets. Questions related to a particular proxy notice can be directed to our Chief Compliance Officer at 914-304-8300.

XVIII. Financial Information

XVIII.(A). Balance Sheet

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

XVIII.(B). Adverse Financial condition

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

XVIII.(C). Bankruptcy-Related Matters

During the past ten years, AMH has not been the subject of a bankruptcy petition.

XIX. Requirements for State-Registered Advisers

As a federally-registered investment adviser, this section of our Brochure is not applicable to us.