



**Firm Brochure  
(Form ADV Part 2A)**

**Easterly Partners, LLC**

**2101 L Street NW, Suite 750  
Washington, DC 20037  
(202) 595-9500  
[www.easterlypartners.com](http://www.easterlypartners.com)**

**March 31, 2013**

**Item 1 – Cover Page**

This Brochure provides information about the qualification and business practices of Easterly Partners, LLC (“Easterly Partners” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (202) 595-9500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Easterly Partners is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill, training or ability.

Additional information about Easterly Partners is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Easterly Partners is required to update its Brochure annually. The initial version of our Brochure, dated as of March 31, 2012, became effective as part of Easterly Partners' initial registration with the SEC as an investment adviser. Subsequently Easterly Partners made an interim update to its Brochure as of October 12, 2012. This is our first annual update.

As part of this annual update, Easterly Partners is required to summarize any material changes to our Brochure since our last annual update (or, in this case, since our initial filing). A summary of changes appears below. Please bear in mind that the following summary discusses only material changes as described above, and is not intended to be a complete summary of this Brochure. Easterly Partners recommends that you read this Brochure in its entirety.

<i>Summary of Material Changes</i>	
<i>General:</i>	<p>This Brochure has been revised to improve readability and aid comprehension. Although some or all these revisions may not be material or may not be required, Easterly Partners has determined that these revisions are appropriate and in the best interests of its clients and investors in the pooled investment vehicles that it manages.</p> <p>These revisions are most prominent in the responses to the following Items:</p> <ul style="list-style-type: none"><li>• Item 4 – Advisory Business</li><li>• Item 5 – Fees and Compensation</li><li>• Item 6 – Performance-Based Fees and Side-By-Side Management</li><li>• Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</li></ul>
<i>Item 4 – Advisory Business:</i>	<p>This section has been revised to provide more detail relating to the pooled investment vehicles that we advise, and have clarified that we do not now, but may in the future, also advise separate account clients.</p>
<i>Item 5 – Fees and Compensation:</i>	<p>This section has been revised to provide a clearer response as noted above. In particular, we have separated the disclosure relating to pooled investment vehicles from the disclosure relating to separate accounts. We have clarified the manner in which fees may be negotiated in certain cases.</p> <p>We have removed references to our potential receipt of acquisition and disposition fees in connection with the purchase and sale of assets, as we do not expect to receive such fees.</p> <p>We have also clarified that, to the extent Easterly Partners and its affiliates may receive compensation for other services provided to our pooled investment vehicles (which in any event would be subject to any necessary approvals or other conditions contained in the applicable governing documents), that compensation would be in addition to (and not in lieu of) our receipt of the asset management fee.</p>

<i>Item 6 – Performance-Based Fees and Side-By-Side Management:</i>	This section has been revised to provide a clearer response. In particular, we have separated the disclosure relating to pooled investment vehicles from the disclosure relating to separate accounts. We have also removed disclosure as to conflicts of interest and procedures relating to investment allocation among client accounts, as we do not believe that such conflicts exist based on our current focus on pooled investment vehicles.
<i>Item 7 – Types of Clients:</i>	We have clarified that we may enter into side letters and other arrangements with certain investors in our pooled investment vehicles, consistent with disclosure included in the applicable private placement memoranda.
<i>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss:</i>	This section has been revised to provide a clearer response as noted above. In particular, we have further tailored the risk factors to provide more focus on risks associated with Easterly Partners' investment strategy and target asset class. Risk factors that have been added or expanded are consistent with disclosure included in the applicable private placement memoranda for our pooled investment vehicles.
<i>Item 11 – Code of Ethics, Participation or Interest in Client Transactions, Personal Trading:</i>	We have removed disclosure relating to our sharing the services of personnel with a third party, as that sharing arrangement has been terminated.
<i>Item 14 – Client Referrals and Other Compensation:</i>	We have added disclosure relating to our engagement of a placement agent for the offering of interests in our latest pooled investment vehicle.
<i>Item 15 – Custody:</i>	We have removed references to surprise examinations, as our pooled investment vehicles are subject to annual audit and are operated to comply with the Rule 206(4)-2 under the Investment Advisers Act of 1940 so as not to require surprise examinations.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	4
Item 4 – Advisory Business .....	5
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients .....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 – Disciplinary Information .....	11
Item 10 – Other Financial Industry Activities and Affiliations.....	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions, Personal Trading.....	12
Item 12 – Brokerage Practices .....	13
Item 13 – Review of Accounts .....	13
Item 14 – Client Referrals and Other Compensation .....	13
Item 15 – Custody .....	14
Item 16 – Investment Discretion .....	14
Item 17 – Voting Client Securities .....	15
Item 18 – Financial Information .....	15

## **Item 4 – Advisory Business**

### **Our Firm and Advisory Services**

Formed in 2011, Easterly Partners is a privately held investment management firm that provides discretionary real estate and real estate-related investment and asset management services to clients throughout the U.S. and abroad. Easterly Partners is headquartered in the District of Columbia.

Easterly Partners is focused exclusively on real estate investment management. Specifically, Easterly Partners limits its investment advisory services to advice related to investments in properties leased primarily to the U.S. government through the General Services Administration (“GSA”) or other federal agencies. On behalf of its clients, Easterly Partners focuses on purpose-built properties, developed to government specifications in support of specific federal agency missions. Easterly Partners provides portfolio management and administrative services, including investigating, analyzing, structuring, negotiating potential investments, monitoring the performance of portfolio companies and advising clients as to acquisition, financing, disposition, recapitalization and refinancing opportunities.

Easterly Partners provides its advisory services to pooled investment vehicles that make real estate and real estate-related investments (“Investment Funds” or a “fund”). Easterly Partners’ Investment Funds typically are structured as limited partnerships, although they also may be structured as (or may utilize subsidiaries structured as) limited liability companies, real estate investment trusts or other forms. Easterly Partners and its affiliates act as sponsor, manager, general partner and/or investment manager to the Investment Funds. Interests in Easterly Partners’ Investment Funds are offered to qualified individual and institutional investors on a private placement basis. With respect to each Investment Fund, Easterly Partners has broad investment discretion, subject to investment guidelines specific to that fund included in the fund’s governing documents. Investments not meeting a fund’s investment guidelines may be made with the approval of a requisite majority-in-interest of the fund’s investors and/or an advisory committee of selected investors in the fund. Easterly Partners does not tailor its advisory services to the individual needs of investors in its Investment Funds.

Easterly Partners may in the future, also provide advisory services to managed accounts for institutional or high net worth clients (“Separate Accounts”). In this Brochure, we refer to our Investment Funds and any Separate Accounts as our “clients.”

Our advisory business is operated in part through Easterly Partners Funds Management, LLC and Federal Properties Management, LLC, which are wholly-owned subsidiaries of Easterly Partners. These entities are special purpose vehicles that, under our supervision and control, serve as investment managers to our Investment Funds. This Brochure is designed to cover their activities as part of Easterly Partners’ overall advisory business.

### **Ownership of Our Firm**

Easterly Partners is a wholly-owned subsidiary of Easterly Capital, LLC (“Easterly Capital”). Mr. Darrell Crate, President of Easterly Capital, is the founder and principal owner of Easterly Capital. Passive economic interests are or may be held by current and former employees of Easterly Partners and others, though which these persons share in performance or incentive fees described below under Item 5 – Fees and Compensation and Item 6 – Performance-Based Fees.

### Assets Under Management

Easterly Partners currently manages client assets only on a discretionary basis, and we do not plan to manage any client assets on a non-discretionary basis. Our assets under management as of December 31, 2012 were approximately \$242 million.

### **Item 5 – Fees and Compensation**

This Brochure is intended to be provided only to “qualified purchasers” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and does not contain Easterly Partners’ fee schedule.

The description contained in Item 5 summarizes how Easterly Partners is compensated for its advisory services to its Investment Funds, and is not intended to be complete. Investors and prospective investors in Easterly Partners’ Investment Funds should refer to the applicable fund’s private placement memorandum and governing documents for detailed information on Easterly Partners’ fees and other compensation.

### Investment Fund Fees

For its advisory services to its Investment Funds, Easterly Partners is generally paid both: (1) an asset management fee based upon the fund’s aggregate capital commitments during the fund’s investment period and based upon net invested capital after the investment period; and (2) a performance or incentive fee based upon the profits allocable to each investor in the fund. Management fees are generally payable quarterly in arrears and are prorated for partial periods. Management fees may be deducted from the fund’s accounts, or Easterly Partners may cause the fund to call available committed capital from investors for the purpose of paying management fees. Performance or incentive fees, if earned, generally are paid at the time of disposition of an investment or upon liquidation of the fund, from amounts otherwise distributable to fund investors.

Fees for Investment Funds generally are not negotiable; however, Easterly Partners may, in its sole discretion, waive or reduce the fees to be paid in respect of investments by certain large or strategic investors. In addition, Easterly Partners generally does not earn fees in respect of investments made by its affiliates, employees and other related persons.

Easterly Partners may elect on an annual basis to waive all, or a portion of, an Investment Fund’s asset management fee payable to it in the next fiscal year in exchange for limited partnership interests in that fund. Management fees may be reduced by the amount of any placement fees incurred in relation to the organization of an Investment Fund and paid by that fund.

Easterly Partners or an affiliate may also be an investor in an Investment Fund, in which case it will receive its percentage interest of current income and gains/losses as an investor, in addition to its investment advisory fees.

### Separate Account Fees

For its advisory services to Separate Accounts, Easterly Partners expects that fees would be negotiated with clients on an individual basis. The advisory contract entered into between Easterly Partners and the client would set forth the agreed fees or would reference a separate fee schedule.

Easterly Partners expects that it would be paid one or both of the following fees for its advisory services to a Separate Account: (1) an asset management or similar fee based upon the cost or

fair market value of assets under management, the amount of committed equity, the amount of equity invested or the net operating income generated by a portfolio; and (2) a performance or incentive fee based upon the profits achieved.

Any asset management fees or similar fees generally would be paid quarterly in advance and prorated for partial periods. If the advisory contract is terminated prior to the end of a quarter (or other applicable billing period), a prorated portion of such prepaid fees would be refunded. Any performance or incentive fees, if earned, generally would be paid around the time of disposition of an asset. Easterly Partners may deduct its fees from client accounts, unless otherwise agreed to by Easterly Partners and the client.

### Expenses

Clients of Easterly Partners are responsible for all costs and expenses incurred in connection with investments in their accounts. Specifically, our fees are exclusive of real estate brokerage commissions, service provider transaction fees, property management fees, appraisal fees, custodial fees, bank service fees and other related service provider costs and expenses.

Please refer to Item 12 – Brokerage Practices for additional information regarding the use of service providers for client transactions, and in determining the reasonableness of their compensation, and refer to Item 10 – Other Financial Industry Activities and Affiliations regarding our use of affiliated entities for these functions.

Investment Funds bear all of their operating costs, including administrative, legal, accounting, auditing and insurance costs and expenses, as well as organizational and offering expenses (up to stated limits), as described in greater detail in the private placement memorandum and governing documents for each fund.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As described above under Item 5 – Fees and Compensation, Easterly Partners generally is entitled to a performance-based fee from its Investment Funds and may receive performance-based fees from Separate Accounts. Passive economic interests are, or may be held by, current and former employees of Easterly Partners and others, through which these persons may share in performance-based fees. The possibility that Easterly Partners and its supervised persons may receive performance-based fees could create an incentive to make more speculative investments on a client's behalf than in the absence of such performance-based fees. In addition, the method of calculating such performance-based fees may result in conflicts of interest with respect to the management and disposition of investments, as well as the determination of the timing and amount of distributions by an Investment Fund.

There is no standard performance-based fee structure; performance-based fee structures are dependent upon the nature of the client and the mandate. Accordingly, fee structures may vary from client to client. With regard to Investment Funds, the performance-based fee is set forth in the fund's private placement memorandum and governing documents. All performance-based fees are calculated and paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

## **Item 7 – Types of Clients**

Easterly Partners primarily serves as an investment manager or adviser to pooled investment vehicles operating as private investment funds. Easterly Partners' Investment Funds seek to generate returns and diversification through investment in real estate and real estate-related

investments. Generally, our investor base for the Investment Funds includes large institutional investors, such as public and corporate pension plans; however, Easterly Partners may offer the securities of the Easterly Partners Funds to smaller institutions and individuals.

Easterly Partners requires each investor in the Investment Funds to be an “accredited investor” and “qualified purchaser” as defined in applicable federal securities laws and regulations. Each investor is also required, either alone or with its representative, to possess such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the method of investment and the compensation received by Easterly Partners. Often these investors have an independent consultant or adviser to assist them in their investment choices, including the selection of Easterly Partners. Easterly Partners does not provide investment advice directly to the investors in the Investment Funds based upon their individual needs. Unless otherwise stated in the offering documents or other constituent documents for an Investment Fund, the minimum required investment is \$10 million, although Easterly Partners has discretion to accept a lower investment amount. In addition, for Investment Funds, a supermajority of the investors may terminate the general partner of the fund, which would have the effect of terminating Easterly Partners’ advisory relationship with such fund.

A fund may enter into a side letter or similar agreement with an investor without any further act, approval or vote of any other investor. This may have the effect of establishing rights under, altering or supplementing the terms of the fund’s governing documents with respect to that investor in a manner more favorable to that investor than other investors in the fund. In addition, co-investment or other alternative vehicles may be organized to accommodate specific legal, tax, regulatory or other needs or interests of certain investors.

Easterly Partners may also advise high net worth individuals, pension and profit sharing plans, charitable organizations, family offices and corporations on investments in GSA leased office buildings. Easterly Partners expects that its advisory contracts for these Separate Account clients generally would be terminable by the clients on short periods of notice or immediately for certain cause events.

Additional information on the types of clients we advise may be found under Item 4 – Advisory Business.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

Easterly Partners seeks to assemble a portfolio of U.S. government-leased office properties that generate consistent current income through stable cash flows while also offering long-term capital appreciation potential. Easterly Partners will attempt to acquire Class A office space with special characteristics that are leased to the U.S. government. Easterly Partners will take local market considerations into account including the depth of the market, employment growth in that market and the underlying real estate fundamentals, among other factors.

Furthermore, Easterly Partners considers the underlying agencies that occupy each asset, lease terms, financial attributes including current income potential and debt considerations.

For a more detailed discussion of the investment strategy, prospective investors should refer to the fund’s private placement memorandum before deciding to invest the fund.

Easterly Partners’ investment process includes a focused, consistent and repeatable framework for selecting targeted assets, analyzing target markets, and identifying, structuring and executing the optimal financing configuration for each asset. Each of the investments



undertaken by Easterly Partners will be driven by the Easterly Partners' strict investment criteria and portfolio composition goals. Easterly Partners investment professionals perform substantial due diligence on all target assets before it takes any steps to initiate the acquisition process.

Easterly Partners' senior management team has extensive experience in sourcing, purchasing, leasing and managing government-leased properties. The Easterly Partners team maintains a comprehensive proprietary database of target assets as well as information about the ownership of the underlying buildings. Investment professionals have long-term relationships with specialized developers, private owners, leasing brokers, lenders and tenant agencies in government real estate markets across the country, and they are able to leverage these relationships to access off-market and limited competition sourcing opportunities.

Easterly Partners professionals' extensive knowledge of government assets and lease structures enhances their ability to achieve efficient execution with sellers. The investment team will review the detailed lease analysis, in conjunction with information regarding the size and location of the asset, financial projections, projected lease rates and proposed capital structure. The investment team will also conduct extensive due diligence across all key aspects of the potential transaction, including the market, physical condition, energy and environmental upgrades, government tenant profile, financing, residual value assumptions and other considerations.

Throughout the investment selection process, Easterly Partners will devote substantial resources to the rigorous underwriting of each opportunity. Typically, Easterly Partners investment professionals will conduct multiple site visits to evaluate asset quality, location, capital and building systems issues. Easterly Partners will use third-party building engineers and in-house personnel as experts to evaluate proposed operational budgets and any potential improvements to the property. The investment team, in conjunction with third-party consultants, will review all documentation associated with the property such as environmental reports, title searches and leasing documents. The investment team will conduct systematic research related to the occupying agency.

Once a decision has been made to proceed, the investment team will prepare a comprehensive package and recommendation for Easterly Partners' investment committee (the "Investment Committee"). Approval of all new investments will require a unanimous vote of the Investment Committee, while other asset decisions will be determined by a majority vote.

Throughout the investment process, Easterly Partners' investment team will continually review underwriting data, pro forma statements, site visit information and other pertinent information.

Easterly Partners will not enter into a transaction without identifying a specific feasible exit strategy. Multiple exit opportunities may exist through debt or equity vehicles, as well as the potential exit through portfolio or one-off asset sales to public companies, institutional investors, high-net-worth individuals, regional operators, 1031-exchange buyers and core REITs.

For a more detailed discussion of the investment process and the team's ongoing management practices, prospective investors should refer to the fund's private placement memorandum before deciding to invest in the fund.

### *Risk of Loss*

Easterly Partners' investment programs entail a substantial degree of risk. The investments of an Investment Fund or Separate Account may lose all or a substantial portion of their value. Clients and fund investors must be prepared to bear the risk of loss of their investments.

Material risks relating to the investment strategies and methods of analysis described above, and to the types of investments typically made in connection with those strategies and methods, include the risks described below. For a more detailed discussion of the potential risk factors associated with investing in a particular Investment Fund, prospective investors should refer to the risk factors and other disclosures contained in the fund's private placement memorandum before deciding to invest the fund.

Easterly Partners' investment programs will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks may render the sale or refinancing of properties difficult or impracticable. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, energy and supply shortages, fluctuations in rental rates for commercial properties, changes in building, environmental and other laws and regulations, changes in real property tax rates, changes in interest rates and the availability of mortgage funds.

Negative developments in the economy that depress travel activity, environmental liabilities, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors are beyond Easterly Partners' control. Certain significant expenditures associated with each equity investment (such as mortgage payments, real estate taxes, lease obligations, insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in income from such investment. Investments may not generate sufficient revenues to meet their operating expenses, including debt service and capital expenditures, which would adversely affect distributions and returns.

Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of or a reduction in demand for rental housing), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, physical condition of the properties, financial condition of buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing, participation by other investors in the financial markets and potential liability under changing laws. These risks may render the sale or refinancing of properties difficult or impracticable.

Investments may involve leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in the real estate industry) may have a more pronounced effect on the profitability or survival of these investments. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. To the extent Easterly Partners makes investments with borrowed funds, net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. Moreover, rising interest rates may significantly increase investments' interest expense, causing losses and the inability to service debt levels.

In light of the recent and potentially continuing global economic downturn and recent U.S. credit rating downgrade, certain of the risks described in this Brochure may be exacerbated, either individually or when taken together. Furthermore, if there is an extended period of instability in the capital markets, with debt markets in particular experiencing a lack of liquidity, such instability may impact Easterly Partners' ability to obtain financing at favorable terms or at all. The U.S. federal government may face greater pressure on its budget, leading to the risk of reduction of or reduced expansion of its work force. These and other factors may negatively

affect the U.S. federal government's demand for office space and ability to pay for its rental obligations. Any of these factors may negatively affect performance and returns.

Although the principals of Easterly Partners and its affiliates have been successful in identifying suitable investments in the past, no assurance can be made that a sufficient number of attractive opportunities will be identified.

Capital and profits, if any, from an investment may only be returned and realized upon the partial or complete disposition of that investment. While an investment might be sold at any time, Easterly Partners expects that investments generally will be held for a number of years. In addition, in some cases Easterly Partners may be prohibited by contract from selling certain investments for a period of time.

These investments are not liquid assets. There is no public market for the investments, or for the securities of entities through which the investments may be held, and no assurance can be given that any such public market will develop. In addition, there can be no assurance that non-public markets will develop to the point that they provide liquidity for investments. Easterly Partners is not undertaking any obligation to establish or develop any such public or non-public markets. As a result, there can be no assurance that Easterly Partners will be able to cause investments to be sold at other desirable times, or at favorable prices, if at all. This lack of liquidity also may impede the ability to value investments.

Additional risks involved in Easterly Partners' investment programs include, but are not limited to:

- potential lack of diversification by geographic region, asset type, or number of assets;
- risks due to dependence on cash flow;
- a lenders' refusal or inability to satisfy loan commitments to a project;
- the cost associated with contingent liabilities that are recourse to the project, such as indemnities and guarantees required by project lenders or warranties associated with construction;
- unexpected environmental conditions and other undiscovered liabilities;
- risks in effecting operating improvements;
- the highly competitive market for investment opportunities and tenants;
- various uninsured or uninsurable risks including losses from terrorist acts; and
- the ability of Easterly Partners and its agents to manage the real properties.

## **Item 9 – Disciplinary Information**

There are no legal or disciplinary events to disclose in response to this Item 9 that are material to a current or prospective client's or fund investor's evaluation of our advisory business or the integrity of our personnel.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Mr. Thomas Zarrilli, a member of Easterly Partners' Investment Committee, owns a controlling interest in and is a registered representative of CTL Securities, LLC, a registered broker-dealer, and owns a controlling interest in CTL Capital, LLC, a GSA credit tenant lease finance firm (together, "CTL"). Mr. Zarrilli may refer investments to Easterly Partners for consideration; however, (i) all such suggested investments must meet client investment criteria; (ii) all such suggested investments must be approved by Easterly Partners' Investment Committee; and (iii) there will be no referral or placement fee either earned by or paid to CTL or its affiliated entities

with respect to deal flow. CTL does not invest in GSA leased properties. From time to time, Easterly Partners may arrange for, or secure financing for, portfolio investments with or through CTL on behalf of clients. Such financing activity will be made on terms, including the consideration paid to CTL, that are fair and reasonable to the client, and CTL will be paid such fees only so long as any such fees will not exceed that which would be payable if such services were provided by unrelated third parties in arm's length transactions.

Easterly Partners may make available co-investment opportunities to strategic investors, lenders, clients or investors in the Investment Funds. Co-investment opportunities may be made available through limited partnerships or other entities formed to make such investments.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions, Personal Trading**

Easterly Partners has adopted a Code of Ethics (the "Code") in compliance with its obligations as a registered investment adviser with the SEC. The Code is provided to all individuals who are subject to the Code, including all employees. Clients, prospective clients, Investment Fund investors and prospective investors may review a copy of the Code by contacting Easterly Partners at the address or telephone number listed on the cover page of this document.

The Code sets forth standards of conduct and requires compliance by certain of Easterly Partners and individuals who are subject to its supervision ("Covered Persons") with federal securities laws, that require Easterly Partners and its Covered Persons to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading and periodically report personal securities transactions. Restrictions on personal securities trading apply to Covered Persons, as well as Covered Person's family members living in the same household. All Covered Persons are required to make annual certifications that they are in compliance with the Code. The Code requires Covered Persons to conduct personal securities transactions in a manner that does not interfere with transactions on behalf of Easterly Partners' clients and does not take inappropriate advantage of their positions and access to information that comes with such positions. The Code imposes specific prohibitions on employee trades including: (i) trades based on material non-public information; (ii) trades intended to manipulate the market; and (iii) trades in initial public offerings. From time to time, Easterly Partners may come into possession of information that limits its flexibility in buying and selling portfolio investments due to its inability to use such information for investment purposes. From time to time, securities of certain public companies may be placed on a "restricted list" with such supervisory persons being restricted from trading in these entities without prior written approval. Covered Persons also are required to (1) report personal securities transactions on at least a quarterly basis, (2) provide a detailed summary of certain holdings and securities accounts over which such persons have a direct or indirect beneficial interest, and (3) pre-clear acquisitions of securities in initial public offerings or private placements. Those reports are reviewed for conflicts, or potential conflicts, with client transactions. The Code also contains provisions related to the making, receipt and reporting of gifts and business entertainment, as well as certain restrictions and reporting related to making political contributions.

Easterly Partners solicits investment from existing clients in new Investment Funds it sponsors after making full disclosure of any interest of Easterly Partners or any related person. The decision whether or not to invest is made by the client or an independent fiduciary of the client.

## **Item 12 – Brokerage Practices**

Easterly Partners is responsible for the placement of the portfolio transactions for its clients and the negotiation of any commissions paid on such transactions. On behalf of clients, Easterly Partners engages service providers and brokers for investment sales, property management, leasing, debt financing and other services from time to time. Easterly Partners has investment discretion (under its management or fund agreements, or those of its affiliates) to hire third-party service providers, including real estate brokers and the commissions paid to those brokers. See also Item 10 – Other Financial Industry Activities and Affiliations for an additional discussion on our selection of related persons as service providers for client transactions.

In engaging brokers and service providers, the Easterly Partners' investment team seeks to select the best service provider at a competitive fee structure. The team considers a number of selection criteria when deciding on the hiring of a service provider, including, but not limited to: recent experience in the local market and property type, both user and investor; depth and breadth of regional and national; team knowledge and capabilities; conflicts of interest; prior experience with the team and/or company; pricing analysis and recommendations; fee proposal; and preferences from counterparty (whether it is a seller, lender, or joint venture party). Upon completion of the broker selection process, the responsible asset manager will select a qualified broker and will execute an agreement (e.g. listing agreement).

Easterly Partners may, at times, determine that certain investments will be suitable for acquisition by a client and by other accounts or private investment funds managed by the firm. If that occurs, the firm will endeavor to allocate, in good faith, the limited amount of such investments acquired among the various accounts for which the firm considers them to be suitable. The firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based upon relative account sizes, the degree of risk involved in the investments acquired and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

## **Item 13 – Review of Accounts**

Easterly Partners, as a manager of real estate and real estate-related investments on behalf of clients, is involved on a day-to-day basis in directly managing real estate assets of its clients. Each investment decision is made by Easterly Partners' Investment Committee. See Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss for a further description of the Investment Committee. In effect, each account is under continuous review.

Easterly Partners' Investment Funds and their investors receive periodic written reports consistent with the requirements of each fund's governing documents and as described in each fund's private placement memorandum. Among other reports, Easterly Partners provides each investor in an Investment Fund with (i) an annual report, including audited financial statements of such fund; and (ii) quarterly reports providing narrative and unaudited summary financial information. U.S. federal income tax information is provided annually.

## **Item 14 – Client Referrals and Other Compensation**

No persons, other than clients, provide economic benefits to Easterly Partners for providing investment advice or other advisory services to our clients.

Easterly Partners has engaged Greenhill & Co., LLC ("Greenhill") to be the exclusive placement agent to U.S. Government Properties Income & Growth Fund II, LP and its parallel funds ("Fund

II"). Greenhill is a registered broker-dealer regulated by the SEC and registered with the Financial Industry Regulatory Authority. The terms of the engagement between Easterly Partners and Greenhill are confidential.

The scope of services performed by Greenhill include the enhancement and distribution of Fund II's private placement memorandum, the preparation of a presentation and other marketing materials, identifying and contacting prospective investors, coordinating investor meetings and roadshows, assisting with post-meeting follow-up and responding to investor inquiries and assisting with investor negotiations and the closing of Fund II interests.

Greenhill will receive a customary placement fee that is generally based upon the amount of interests in Fund II committed by investors. Easterly Partners' management fees otherwise payable by Fund II will be reduced by the amount of any placement fees incurred in relation to the organization of Fund II and paid by Fund II.

Greenhill has been engaged solely as placement agent to Fund II, and has not been engaged to solicit or refer new advisory clients to Easterly Partners.

### **Item 15 – Custody**

Easterly Partners is deemed to have custody of certain of its client's funds and securities because the firm or an affiliate acts as a general partner to certain of the Investment Funds, and because it has the authority to obtain client funds or securities under certain circumstances, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Easterly Partners complies with Rule 206(4)-2 under the Advisers Act, by ensuring that all Investment Funds are audited by a qualified third-party accounting firm no less than annually and sends the audited financial statements, prepared in accordance with U.S. GAAP, to all investors within 120 days. Separate Account clients will receive account statements directly from their custodian on a quarterly basis and should review them carefully. Easterly Partners is deemed to have constructive custody of certain bank accounts used in connection with property management.

### **Item 16 – Investment Discretion**

With regard to an Investment Fund, Easterly Partners has investment discretion, subject to investment guidelines specific to that fund, pursuant to the fund's governing documents. Investments not meeting a fund's investment guidelines may be made with the approval of a requisite majority-in-interest of the fund's investors and/or an advisory committee of selected investors in the fund.

With regard to a Separate Account for which Easterly Partners controls investment acquisitions, financing and dispositions, directly or indirectly, Easterly Partners has investment discretion. As such, Easterly Partners requires that each client enter into a written agreement with the firm or an affiliate granting it discretionary authority. Where a client has granted Easterly Partners a power of attorney, it is typically assumed to also have also granted Easterly Partners investment discretion.

Easterly Partners generally has investment discretion under its advisory contracts and the governing documents of its Investment Funds to hire third party service providers, including real estate brokers, and to pay commissions to those brokers.

**Item 17 – Voting Client Securities**

Typically, Easterly Partners does not purchase securities that require voting. To the extent voting may be required with respect to any investment made by Easterly Partners, all major real estate investment decisions are made by Easterly Partners' Investment Committee.

**Item 18 – Financial Information**

Neither Easterly Partners nor its affiliates have ever filed for bankruptcy and are not aware of any financial condition that is expected to affect its ability to manage client accounts.



**Brochure Supplement  
(Form ADV Part 2B)**

**Part 2B of Form ADV Brochure Supplement for:**

William C. Trimble, III, Chief Executive Officer (CEO) and Managing Partner  
Easterly Partners, LLC  
2101 L Street, NW Suite 750  
Washington, DC 20037  
[www.easterlypartners.com](http://www.easterlypartners.com)

March 31, 2013

This brochure supplement provides information about William C. Trimble, III that supplements the brochure for Easterly Partners, LLC. You should have received a copy of that brochure. If you did not receive the firm's brochure or you have any questions about the contents of this supplement, please contact us at (202) 595-9500.



**Item 2            Education Background and Business Experience**

William C. Trimble, III was born in 1962. He earned his MBA and BA from Duke University in Durham, NC.

Mr. Trimble is responsible for the oversight of the day-to-day operations of the firm, including all administrative functions for the Funds, compliance, coordinating fundraising activities, administering all capital sourcing, marketing and investor relations activities. Mr. Trimble also serves as the Chief Compliance Officer and as a member of the Investment Committee. Mr. Trimble has 23 years of experience in investment management.

Prior to joining Easterly Partners, Mr. Trimble spent 10 years as head of Client Relations for Red Comb, LLC, a Baltimore, MD-based asset management firm specializing in domestic, small capitalization equity securities. As a member of the management team, he was the primary contact with the firm's clients, which included *Fortune* 100 corporations, endowments and foundations. Prior to Red Comb, Mr. Trimble spent five years as head of marketing and a member of the Investment Committee of Winston Capital Management in McLean, VA. In 1994, he co-founded the Winston Growth Fund, a successful long-short equity fund of funds. Mr. Trimble began his career in 1987 at Alex Brown & Sons, where he worked in the institutional equity department and later in the asset management division.

**Item 3            Disciplinary Information**

Mr. Trimble has no disciplinary information to disclose.

**Item 4            Other Business Activities**

Mr. Trimble serves as Chairman of the Board of the Aircraft Owners and Pilots Association (AOPA). AOPA is the largest aviation organization in the world with 350,000 members.

**Item 5            Additional Compensation**

Mr. Trimble has no additional compensation to disclose.

**Item 6            Supervision**

Mr. Trimble supervises all aspects of the firm's business. In addition, Mr. Trimble is the Chair of the Investment Committee, which oversees all investment decisions made on behalf of clients. The Investment Committee is comprised of representatives from the underwriting, asset management, and investment teams. The Investment Committee requires unanimous consent for the purchase or sale of any material asset.



**Brochure Supplement  
(Form ADV Part 2B)**

**Part 2B of Form ADV Brochure Supplement for:**

F. Joseph Moravec, Partner  
Easterly Partners, LLC  
2101 L Street, NW Suite 750  
Washington, DC 20037  
[www.easterlypartners.com](http://www.easterlypartners.com)

March 31, 2013

This brochure supplement provides information about F. Joseph Moravec that supplements the brochure for Easterly Partners, LLC. You should have received a copy of that brochure. If you did not receive the firm's brochure or you have any questions about the contents of this supplement, please contact us at (202) 595-9500.

**Item 2 Education Background and Business Experience**

F. Joseph Moravec was born in 1950. He earned his AB from Harvard University in Cambridge, MA.

Mr. Moravec is responsible for originating investments. He brings 40 years of institutional real estate experience to his position.

Prior to joining Easterly Partners, Mr. Moravec was Commissioner of the Public Buildings Service of the GSA, where he was responsible for asset management and design, construction, leasing, operations and disposal for over 350 million square feet in over 8,000 properties and with an annual budget of \$8 billion. Based on this experience, Mr. Moravec most recently served as an advisor, through his own company, to real property owners, operating companies and non- profits in the formulation and execution of successful asset, transaction management and organizational solutions. His clients have included the National Trust for Historic Preservation, the American Institute of Architects, the Port Authority of New York and New Jersey, the Chesapeake Crescent Initiative, American Enterprise Institute and Duke Realty Corporation.

Throughout his career, Mr. Moravec has served as President or Partner of the following firms: Leggat McCall & Werner; Grubb & Ellis; Barnes, Morris, Pardoe & Foster; and Faison. Mr. Moravec also acted as the Senior Advisor for Business Development at George Washington University, leading the university's involvement in non-traditional, for-profit educational ventures.

**Item 3 Disciplinary Information**

Mr. Moravec has no disciplinary information to disclose.

**Item 4 Other Business Activities**

At present, he is a Trustee of Meridian International Center and the National Trust for Historic Preservation. He also serves as a member of the Real Estate Investment Advisory Committee ("REIAC") of ASB Capital Management and as Director of the Morris & Gwendolyn Cafritz Foundation.

**Item 5 Additional Compensation**

As a member of REIAC and ASB Capital Management, Mr. Moravec receives additional compensation.

**Item 6 Supervision**

Mr. Moravec is a member of the Investment Committee, which oversees all investment decisions made on behalf of clients. The Investment Committee is comprised of representatives from the underwriting, asset management, and investment teams. The Investment Committee requires unanimous consent for the purchase or sale of any material asset.



**Brochure Supplement  
(Form ADV Part 2B)**

**Part 2B of Form ADV Brochure Supplement for:**

Darrell W. Crate, Partner  
Easterly Partners, LLC  
2101 L Street, NW Suite 750  
Washington, DC 20037  
[www.easterlypartners.com](http://www.easterlypartners.com)

March 31, 2013

This brochure supplement provides information about Darrell W. Crate that supplements the brochure for Easterly Partners, LLC. You should have received a copy of that brochure. If you did not receive the firm's brochure or you have any questions about the contents of this supplement, please contact us at (202) 595-9500.

**Item 2            Education Background and Business Experience**

Darrell W. Crate was born in 1967. He earned his MBA from Columbia Business School in New York, NY and BA from Bates College in Lewiston, ME.

Mr. Crate is the President of Easterly Capital, a firm he founded in 2009 to make personal private equity investments. Mr. Crate also serves as a Partner of Easterly Partners. From 1998 to 2011, Mr. Crate served as the Chief Financial Officer of Affiliated Managers Group, Inc. (NYSE: AMG). AMG is a publicly traded asset management holding company. During his tenure, assets under management grew from \$35 billion to over \$350 billion through mutual fund, pension and high net worth accounts globally, with over half of its clients domiciled outside the U.S. Over this same period, the company's enterprise value increased materially, from \$500 million to over \$6 billion.

Mr. Crate has been active in national accounting policy, standards setting and has been recognized by the Financial Accounting Standards Board for these contributions. Institutional Investor Magazine has named him one of the leading CFOs in the financial services industry. Prior to his tenure at AMG, Mr. Crate was the Managing Director of the Financial Institutions Group of the Chase Manhattan Corporation based in London and New York, focusing exclusively on investment management firms.

**Item 3            Disciplinary Information**

Mr. Crate has no disciplinary information to disclose.

**Item 4            Other Business Activities**

Mr. Crate is a member of the Board of Trustees of Bates College, serving as the chair and co-chair of the advancement and investment committees, respectively. Mr. Crate is one of twelve Trustees of the world's largest aviation organization, the Aircraft Owners and Pilots Association (AOPA). He serves as the chair of the audit committee, a vice-chair of the finance and investment committee and a member of the compensation, organization and human resources committee.

Mr. Crate serves on the Board of Trustees of the Adams Memorial Foundation, an organization chartered to honor the accomplishments of John Adams and his descendants through the construction of a highly interactive exhibition museum in Washington, D.C. Mr. Crate is also on the Advisory Board of the Robert F. Kennedy Children's Action Corps, an organization that advocates for children encumbered in the juvenile justice system.

**Item 5            Additional Compensation**

Mr. Crate has no additional compensation to disclose.

**Item 6            Supervision**

Mr. Crate is a member of the Investment Committee, which oversees all investment decisions made on behalf of clients. The Investment Committee is comprised of representatives from the

underwriting, asset management, and investment teams. The Investment Committee requires unanimous consent for the purchase or sale of any material asset.



**Brochure Supplement  
(Form ADV Part 2B)**

**Part 2B of Form ADV Brochure Supplement for:**

Thomas P. Zarrilli, Partner  
Easterly Partners, LLC  
2101 L Street, NW Suite 750  
Washington, DC 20037  
[www.easterlypartners.com](http://www.easterlypartners.com)

March 31, 2013

This brochure supplement provides information about Thomas P. Zarrilli that supplements the brochure for Easterly Partners, LLC. You should have received a copy of that brochure. If you did not receive the firm's brochure or you have any questions about the contents of this supplement, please contact us at (202) 595-9500.

**Item 2 Education Background and Business Experience**

Thomas P. Zarrilli was born in 1954. He earned his MBA from the Wharton School at the University of Pennsylvania in Philadelphia, PA and BS in Civil Engineering from Worcester Polytechnic Institute in Worcester, MA.

Mr. Zarrilli is responsible for the general oversight of investments, including originating investments. He brings over 34 years of institutional real estate experience to his position.

Mr. Zarrilli is a founding member of CTL Capital ("CTL") which was formed in 1998 to provide investment banking and advisory services for public and private projects supported by lease securitizations, asset securitizations and private placements. Mr. Zarrilli's experience includes the completion of over \$15 billion in debt & equity transactions, with approximately \$6.5 billion of GSA financings, and over \$1.2 billion where CTL acted as a financial advisor to U.S. government entities.

Transactions secured by leases totaled over 20 million square feet in 30 states, and were leased by various government, not for profit and corporate tenants. Previously, Mr. Zarrilli served as Executive Director of UBS Dillon Read, Director of the Real Estate Investment Banking Department of Bear Stearns, and prior to that as a partner of Sonnenblick-Goldman. From 1978 to 1982, Mr. Zarrilli was a Vice President of Real Estate Equity Investments at Citibank N.A., where he was responsible for institutional real estate investments for pension fund clients of the bank.

**Item 3 Disciplinary Information**

Mr. Zarrilli has no disciplinary information to disclose.

**Item 4 Other Business Activities**

Mr. Zarrilli is a founding member of CTL. He leads the banking effort and is responsible for new issues. Please see the firm brochure of Easterly Partners, LLC, Item 10 – Other Financial Industry Activities and Affiliations, for additional information relating to CTL and Mr. Zarrilli, including the business relationship between CTL and Easterly Partners, LLC.

Mr. Zarrilli is a member of ULI, ICSC, MBA, Federal Lessors Association, Real Estate Lenders Association and various other industry associations.

**Item 5 Additional Compensation**

Mr. Zarrilli has no additional compensation to disclose.

**Item 6 Supervision**

Mr. Zarrilli is a member of the Investment Committee, which oversees all investment decisions made on behalf of clients. The Investment Committee is comprised of representatives from the



underwriting, asset management, and investment teams. The Investment Committee requires unanimous consent for the purchase or sale of any material asset.