

BROCHURE
Form ADV Part 2A

KW INVESTMENT ADVISER, LLC

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This brochure provides information about the qualifications and business practices of KW Investment Adviser, LLC. If you have any questions about the contents of this brochure, please contact us at 310-887-6470 and/or ilee@kennedywilson.com. 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. Additional information about KW Investment Adviser, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Annual Update - For year ending December 31, 2013

Item 2 of this brochure is used to provide a summary of material changes that are made to the brochure since its last annual update.

Item 4 has been updated to reflect the current amount of assets under management.

Item 5 has been updated to reflect the range of management fees charged to investors.

Item 6 has been updated to reflect the range of performance fees charged to investors.

Item 7 has been updated to clarify certain co-investment practices.

Item 8 has been updated to clarify certain co-investment practices.

Item 14 has been updated to reflect current business practices with respect to client referrals.

Item 15 has been updated to address the treatment of account statements.

TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 - MATERIAL CHANGES.....	i
ITEM 4 - ADVISORY BUSINESS	1
A. Description of Advisory Firm	1
B. Types of Advisory Services Offered	1
C. Services Tailored to Individual Needs of Clients.....	1
D. Wrap Fee Programs.....	2
E. Client Assets	2
ITEM 5 - FEES AND COMPENSATION	2
A. Fees.....	2
B. How Fees are Charged.....	2
C. Other Fees and Expenses.....	2
D. Refunds for Fees Charged in Advance.....	3
E. Compensation for Sales of Securities	3
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	3
ITEM 7 - TYPES OF CLIENTS.....	4
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS....	4
A. Methods of Analysis and Investment Strategies	4
B. Material Risks	4
C. Recommendations of Particular Securities	7
ITEM 9 - DISCIPLINARY INFORMATION.....	7
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	7
A. Broker-Dealers	7
B. Futures and Commodity Trading.....	7
C. Material Relationships	8
D. Recommendation or Selection of Other Investment Advisers.....	8
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	8
A. Code of Ethics	8
B. Participation or Interest in Client Transactions	9
C. Personal Trading.....	10
D. Personal Trading Contemporaneous with Client Transactions.....	11
ITEM 12 - BROKERAGE PRACTICES	11
A. Selection of Broker-Dealers	11
B. Aggregation of Orders of Securities for Client Accounts	12
ITEM 13 - REVIEW OF ACCOUNTS.....	12
A. Periodic Review of Client Accounts	12

B.	Factors that Trigger a Review of Client Accounts.....	12
C.	Reports to Clients Regarding Their Accounts.....	12
ITEM 14 -	CLIENT REFERRALS AND OTHER COMPENSATION	12
A.	Client Referrals.....	12
B.	Compensation for Client Referrals	12
ITEM 15 -	CUSTODY	13
ITEM 16 -	INVESTMENT DISCRETION	13
ITEM 17 -	VOTING CLIENT SECURITIES	13
A.	Authority to Vote Client Securities	13
ITEM 18 -	FINANCIAL INFORMATION	14
A.	Balance Sheet.....	14
B.	Financial Conditions Likely to Impair Contractual Commitments.....	14
C.	Bankruptcy Petitions	14

ITEM 4 - ADVISORY BUSINESS

A. Description of Advisory Firm

KW Investment Adviser, LLC, a Delaware limited liability company ("KWIA"), was formed in early 2012 and is a wholly-owned subsidiary of Kennedy Wilson, Inc. ("Kennedy Wilson").

KWIA, directly or through its affiliates, provides investment advisory services to private investment funds sponsored by KWIA or its affiliates (the "Private Funds") for the purpose of making real estate and real estate-related investments, and may, from time to time, provide investment advisory services to related investment vehicles, such as parallel funds, alternative investment vehicles, and co-investment vehicles (collectively, such funds and related vehicles, together with the Private Funds, any successors to any of the foregoing, and any similar pooled investment vehicles formed or managed by KWIA or its affiliates, will herein be referred to as the "KWIA Funds"). From 2000 to early 2012, Kennedy Wilson and/or its affiliates were responsible for managing the closed-end fund business before KWIA's inception in March of 2012. Kennedy Wilson is a wholly-owned subsidiary of Kennedy-Wilson Holdings, Inc. (NYSE: KW), a publicly-traded vertically integrated global real estate investment and services firm that was founded in 1977.

Certain affiliates controlled by or under common control with KWIA serve as the general partner (or equivalent position) of the existing KWIA Funds. Such affiliates are supervised persons of KWIA and intend to conduct their activities in accordance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the rules thereunder. Any employees of such affiliate(s), and other persons acting on their behalf, are and shall be subject to the supervision and control of KWIA. Such affiliates that are not separately registered are relying on KWIA's registration under the Advisers Act and are not registering themselves. References herein to "KWIA" shall include such affiliates as applicable and as the context so requires.

B. Types of Advisory Services Offered

KWIA provides advice to the KWIA Funds predominantly in respect of their real estate-related investment portfolios, and directly or indirectly provides certain ancillary managerial and administrative services, including, without limitation, identifying and screening potential investments, recommending strategies for the management and disposition of investments, monitoring the performance of investments, and preparing reports necessary or appropriate for compliance with the governing agreements of the KWIA Funds. Investments in KWIA Funds are privately offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals. See also Item 4.A. above.

C. Services Tailored to Individual Needs of Clients

KWIA's advisory services are geared to the management of the KWIA Funds, the investment objectives, parameters and restrictions of which are disclosed to investors in the applicable governing agreements before they invest. Investment restrictions applicable to specific KWIA Funds are customarily imposed in the governing agreements for such KWIA Funds, as agreed upon with investors.

KWIA or certain affiliates may also enter into side letters or other writings with specific KWIA

Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of KWIA Fund agreements, in respect of the investor to whom such letter or writing is addressed. Any rights established, or any terms altered or supplemented, will govern only that KWIA Fund investor and not a KWIA Fund as a whole. Such side letters may impose restrictions on participation in certain investments or types of investments made by the KWIA Funds, and may also provide benefits to certain investors in a KWIA Fund not provided to investors in such KWIA Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in a KWIA Fund or compliance with specified laws or regulations). KWIA will not enter into a particular side letter if KWIA determines that the provisions contained in such side letter would negatively impact the management of the applicable KWIA Fund(s). Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable KWIA Fund.

D. Wrap Fee Programs

KWIA does not participate in wrap fee programs.

E. Client Assets

As of December 31, 2013, KWIA managed \$1,354,182,000 of client assets on a discretionary basis. As of December 31, 2013, KWIA did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

A. Fees

The applicable fees for each KWIA Fund are disclosed to investors in the private offering materials for the relevant private offering of each KWIA Fund. In general, KWIA receives its management fees based on a percentage of assets under management, as further described below.

B. How Fees are Charged

Investment management fees are generally payable quarterly in advance by each KWIA Fund. Management fees may be paid by capital contributions from KWIA Fund investors to each KWIA Fund pursuant to capital call notices delivered by each KWIA Fund's general partner or managing member, or may be paid out of cash otherwise available to the KWIA Fund.

C. Other Fees and Expenses

Fees unrelated to securities management functions may be paid to KWIA or to a KWIA Fund's general partner, managing member, or affiliates. For example, KWIA affiliates may receive certain fees for services rendered to a particular real estate property in which a KWIA Fund invests. These potential fee arrangements are disclosed in the private offering materials and/or governing agreements for each particular private vehicle offering.

KWIA Funds are also subject to customary expenses, including fees, costs and expenses related to the purchase, holding and sale of investments, expenses of any administrators, custodians, counsel and accountants (including audit fees), any insurance, indemnity or litigation expenses, and any taxes, fees or other governmental charges levied against a KWIA Fund investment vehicle, and expenses

arising in connection with the formation, launch and closings of a KWIA Fund (as described in, and subject to limits on such organizational expenses as set forth in, the applicable KWIA Fund governing agreements).

Given the nature of the KWIA Funds' investment programs, KWIA does not usually transact through broker-dealers. Therefore, investors in KWIA Funds do not generally incur brokerage costs. A discussion of KWIA's brokerage practices may be found at Item 12 of this brochure.

D. Refunds for Fees Charged in Advance

Management fees are generally paid by KWIA Funds in advance of any securities management functions performed by KWIA. Fees assessed against the KWIA Funds are typically paid from amounts contributed to each such KWIA Fund by its investors in accordance with the commitments of capital such investors make to the KWIA Fund, or are paid out of cash otherwise available to the KWIA Fund. Should KWIA's services be terminated before services are provided for the period, fees assessed in advance will be returned under a method that is reasonably determined to be fair. In general, such returned fees would be pro-rated from the date of KWIA's termination to the end of the period to which the advance fee covered. KWIA's advisory engagements for the KWIA Funds will be subject to termination upon advance notice by either the general partner or managing member of the applicable KWIA Fund or by KWIA.

E. Compensation for Sales of Securities

Neither KWIA nor its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A KWIA Fund is typically subject to a "carried interest" or performance fee that is paid to a KWIA affiliate (such as a KWIA Fund's general partner and/or a KWIA affiliate acting as a special limited partner). These fees are typically measured as a percentage of the profits of a KWIA Fund and are negotiated at a rate consistent with industry standards in place at the time of the negotiation and in compliance with the Advisers Act. No performance fee is charged in respect of any KWIA Fund investor unless such investor is reasonably believed to be either a "qualified client" (within the meaning of Advisers Act rule 205-3) or a non-U.S. person. The amount of these fees are subject to the specific formula provided in a given KWIA Fund's governing agreements.

KWIA manages KWIA Funds yielding different performance fees. KWIA and its supervised persons face a potential conflict of interest in managing such KWIA Funds at the same time, including that KWIA and its supervised persons may have an incentive to favor accounts for which KWIA or its supervised persons receive a higher performance-based fee. Additionally, the existence of carried interest could potentially create an incentive for KWIA and its supervised persons to make riskier investments on behalf of a KWIA Fund with a carried interest arrangement than would be the case in the absence of such an arrangement. Potential conflicts of interest, and the methods KWIA and its supervised persons utilize to address these conflicts, are disclosed to KWIA Fund investors in each applicable KWIA Fund's governing agreements before they invest. Where an investment opportunity is suitable for more than one KWIA Fund, KWIA will allocate such investment in a manner intended to be fair and reasonable, and in accordance with the governing

agreements of the applicable KWIA Funds. For additional information on how KWIA addresses conflicts, see Item 10.C below.

ITEM 7 - TYPES OF CLIENTS

KWIA generally provides investment advice solely to the existing KWIA Funds, which are private equity real estate investment funds and related investment vehicles. Interests in the KWIA Funds are offered privately only to qualified investors, typically institutional investors and individuals who qualify to invest in the KWIA Funds because they have a sufficiently high income or net worth. KWIA typically imposes a minimum investment in connection with investing in a KWIA Fund, typically \$10 million, although such minimum may be waived in the discretion of KWIA. On occasion, KWIA may also offer investment opportunities to its qualified professional personnel, as well as other qualified investors. In addition, KWIA's affiliates made capital commitments to the existing KWIA Funds for investment at the same time and on substantially similar terms as other commitments to existing KWIA Funds. Also, KWIA's affiliates may, from time-to-time, invest at the portfolio-investment level alongside KWIA Funds. Such investments at the portfolio-investment level are typically made simultaneously and may be on terms that are substantially similar to the KWIA Fund's terms or on different terms.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

KWIA typically invests assets of the KWIA Funds in a variety of real estate investments principally located in the U.S. Each KWIA Fund has a different investment mandate, but investments made by the KWIA Funds may generally include investments in office, multifamily, industrial, retail and for-sale residential properties, as well as loans secured by real estate. KWIA seeks to invest in value-added properties and targets real estate types and geographies where its experience and relationships provide it with intimate market knowledge, significant management expertise and proprietary sourcing capabilities. KWIA works to strategically position or reposition these portfolio investments and/or implement structural and other improvements, with the intent to create value. KWIA then sells or transfers the KWIA Fund's interest in a portfolio investment and the KWIA Fund distributes the proceeds to its investors in accordance with the distribution formula provided in the applicable KWIA Fund governing agreement. Investors are provided with more detailed information on the investment strategies and geographic focus of an applicable KWIA Fund before they invest.

Participation in any KWIA Fund involves a risk of loss that investors should be prepared to bear, including up to the entire amount of their investment or commitment. For a discussion of material risks, see Item 8.B immediately below.

B. Material Risks

Investing in private investment funds like the KWIA Funds involves a wide range of risks. Investors are provided with more detailed information regarding material risks to which an investment in a KWIA Fund is subject before investing. Such material risks include, but are not limited to, those set forth below.

The Funds managed by KWIA are subject to risks related to real estate investments generally. These risks include, but are not limited to, adverse consequences resulting from the availability of capital, lease-up risks, tenant defaults, changes in tax laws and accounting principles, lending regulations and reserve requirements, national events, energy supplies, government economic and fiscal policies, fluctuations in interest rates, risk of uninsurable losses, litigation risks, government regulation (including environmental, health and safety laws and regulations), competition with other properties, competition with non-real estate alternative investment opportunities in the capital markets, casualty, government taking and condemnation risks, and other factors, including those which are not under the direct control or influence of KWIA (such as natural disasters and acts of terrorism).

The market for attractive real estate investment opportunities is highly competitive. KWIA's ability to compete depends on, among other things, the retention of its personnel, its ability to identify, analyze and secure investments, and its ability to execute on its investment strategy for each portfolio investment. Success also depends on, among other things, the accuracy of information received and assumptions made at each step of the investment process, as well as factors beyond the control of KWIA. A KWIA Fund may make investments in nonperforming or other troubled assets, which involve a high degree of risk (including credit and market risk), and such assets may never be able to overcome their difficulties. Real estate loans and/or participations acquired by a KWIA Fund may be at the time of their acquisition, or may become after acquisition, nonperforming for a wide variety of reasons. KWIA may invest in securities that are junior in a property's financing capital structure, which are subject to greater risk of loss.

Because the KWIA Funds generally participate in a limited number of investments in only one sector (real estate), the unfavorable performance of only a few holdings or the real estate sector as a whole may substantially adversely impact a KWIA Fund.

The use of borrowed money to make an investment or otherwise in connection with a portfolio investment may also increase the exposure of a KWIA Fund or the portfolio investment to adverse economic factors. Investments made with other investors (*e.g.*, through joint ventures) may involve additional risks, including the possibility that other investors will suffer financial difficulty or have goals that are inconsistent with KWIA.

After a KWIA Fund makes a property investment, the property may have unanticipated capital needs that exceed what the KWIA Fund is willing or able to provide or secure. Additionally, a variety of factors outside KWIA's control could adversely affect the KWIA Fund's ability to sell or transfer an investment on favorable terms (if at all), or give rise to an unexpected need to dispose of an investment at a disadvantageous time. Certain investments may be distributed in kind to KWIA Fund investors as described in a KWIA Fund's governing agreement.

U.S. and global market and economic conditions may decrease the demand for real estate and may impact the KWIA Funds' ability to, among other things: (a) make and dispose of investments on favorable terms, (b) access credit markets on favorable terms (or at all), and (c) attract co-investors and other counterparties to do business with the KWIA Funds. There can be no assurance as to the future direction of national and global market and economic conditions.

KWIA Fund investors are restricted in their ability to assign, sell, exchange or transfer their interests in, or to withdraw from, a KWIA Fund, and must be prepared to bear the risks of owning interests for an extended period of time. KWIA also does not intend to cause the KWIA Funds to be

registered under the Securities Act of 1933 or Investment Company Act of 1940, and therefore KWIA Fund investors are not afforded the protections of either of those Acts.

KWIA Funds are generally structured so that their underlying assets will not constitute assets of any plan subject to Title I of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended. Failure to structure the KWIA Fund accordingly may also expose a KWIA Fund to additional duties and liabilities under ERISA.

KWIA Funds are generally expected to be treated as pass-through vehicles for U.S. federal income tax purposes. Investments in KWIA Funds give rise to a variety of complex U.S. federal income tax and other tax issues for both tax-exempt and non tax-exempt investors.

KWIA Fund indemnification obligations to their respective general partner/managing member and certain other related parties are payable from KWIA Fund assets and could materially impact the returns of KWIA Fund investors. Additionally, the KWIA Funds' governing agreements generally limit the circumstances under which such indemnified parties can be held liable to the KWIA Funds or their investors.

Potential Conflicts of Interest

There will be occasions when KWIA and its affiliates may encounter potential conflicts of interest in connection with KWIA Funds. Such conflicts may include, but are not limited to, the following:

- The existence of “carried interest,” which is discussed further in Item 6 above.
- A KWIA Fund’s general partner/managing member may engage in transactions on behalf of a KWIA Fund with KWIA or its affiliates (for example, KWIA or its affiliates may receive certain fees for services rendered to, or in connection with, a particular real estate investment). Because affiliates of KWIA provide these services, KWIA may be incentivized to engage its affiliates on less favorable terms than what might be offered by unaffiliated third-party service providers.
- KWIA or the general partner of a KWIA Fund may elect to co-invest the KWIA Fund’s capital alongside other entities who have preexisting investments with other KWIA Funds or are otherwise associated with affiliates of KWIA or of the KWIA Funds’ general partners. Such investments at the portfolio-investment level are typically made simultaneously and on substantially similar terms to the KWIA Funds’ terms. KWIA or its affiliates may also have agreements with such other co-investors that require investment opportunities be presented to them. Such agreements may impact the extent to which KWIA Funds can participate in such investment opportunities.
- KWIA supervised persons generally devote time to multiple KWIA investment vehicles and activities of other KWIA affiliates.
- KWIA Funds may on occasion engage in certain affiliated or interested transactions, as further discussed in Item 11 below.
- As further discussed in Item 6 above and Item 10.C below, KWIA may be presented from time to time with investment opportunities that meet the investment objectives of one or more KWIA Funds.

- KWIA's affiliates may, from time-to-time, invest at the portfolio-investment level alongside the KWIA Funds. Such investments at the portfolio-investment level are typically made simultaneously and on substantially similar terms to the KWIA Funds' terms.

Potential conflicts of interest, and the methods KWIA and its supervised persons utilize to address these conflicts, are generally disclosed to investors in each applicable KWIA Fund's governing agreements before they invest.

To address conflicts of interest such as those described above, KWIA investment professionals prepare an investment memorandum (which may be called an "acquisition package" or such similar title) for each new investment opportunity or other transaction. KWIA's Chief Compliance Officer (the "CCO") reviews these investment memoranda. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with senior management of KWIA and legal counsel, if deemed appropriate, in order to recommend courses of action to senior management of KWIA. The senior management of KWIA determines the specific actions to be taken.

In addition, the governing agreements for KWIA Funds generally contain specified procedures to address certain conflicts of interests. These procedures may include (i) requiring a KWIA Fund general partner/managing member to take certain actions to mitigate the conflict of interest or (ii) referring a conflict of interest transaction to a KWIA Fund's investor advisory committee. A KWIA Fund's investor advisory committee is typically composed of representatives of investors in the applicable KWIA Fund and is typically authorized to grant consents on behalf such investors.

C. Recommendations of Particular Securities

The KWIA Funds have traditionally invested in a variety of real estate investments, including office, multifamily, industrial, retail and for-sale residential properties, as well as loans secured by real estate. The risks described in Item 8.B apply with respect to each of these investment types.

ITEM 9 - DISCIPLINARY INFORMATION

KWIA is not aware of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealers

Neither KWIA nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. Futures and Commodity Trading

Neither KWIA nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships

KWIA and its affiliates form KWIA Funds to make real estate investments which may generally include investments in office, multifamily, industrial, retail and for-sale residential properties as well as loans secured by real estate. KWIA provides investment management services to such KWIA Funds. These relationships and related management or other fees are disclosed in the private offering materials in connection with the launch of such KWIA Funds.

KWIA Funds may on occasion compete for the same investment opportunities. In response to the potential conflicts created by such competition, KWIA seeks to allocate investment opportunities among the KWIA Funds in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs of each KWIA Fund. In addition, certain KWIA Fund governing agreements prescribe additional requirements for the allocation of investment opportunities, which will be disclosed to investors prior to their investment in such KWIA Fund. Under no circumstances may KWIA or any affiliate allocate investment opportunities based on anticipated compensation or profits to KWIA, any affiliates or their supervised persons. Each KWIA Fund has its own investment guidelines, charter and organizational documents that are taken into account when making investment allocation determinations.

An affiliate of KWIA may provide real estate services (including property management, auction marketing, brokerage, construction and trust management services) to the KWIA Funds for a prescribed fee, which may create potential conflicts of interest, as more fully described in Item 8.B, above. In general, the governing agreements for each KWIA Fund contains specified procedures for managing such conflicts. These procedures may include (i) requiring that the terms and conditions of such services are at least as favorable as the terms available in an arm's length transaction with an independent third party, and/or (ii) requiring approval of a KWIA Fund's investor advisory committee if the costs of such services rise above standard rates listed in the governing agreement.

Potential conflicts of interest, and the methods KWIA and its supervised persons utilize to address these conflicts, are disclosed to KWIA Fund investors in further detail in each applicable KWIA Fund's governing agreements before they invest.

D. Recommendation or Selection of Other Investment Advisers

KWIA does not recommend or select other investment advisers for its clients, nor does it receive compensation directly or indirectly from any such advisers.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

KWIA is a fiduciary to its clients, currently the existing KWIA Funds. This means that KWIA and its supervised persons must put the interests of the KWIA Funds first. To that end, KWIA supervised persons are required to:

- Place the interests of the KWIA Funds above personal interests;
- Seek to identify conflicts of interest and observe established resolution procedures as described in KWIA's Code of Ethics and Compliance Manual;
- Avoid misleading or inaccurate statements that may be attributed to KWIA;
- Conduct personal securities transactions in a manner consistent with KWIA's Code of Ethics (including pre-clearance (if applicable) and reporting of transactions);
- Report any violations of KWIA's Code of Ethics, or KWIA's Compliance Manual generally, to the CCO; and
- Comply with KWIA's Code of Ethics, its Compliance Manual, and applicable provisions of the federal securities laws as well as any other laws applicable to KWIA.

See Items 11.C and 11.D below for further details regarding KWIA's Code of Ethics.

Copies of KWIA's Code of Ethics are available to any client or prospective client upon request.

KWIA's policies and procedures for addressing conflicts of interest generally are also described in more detail at Item 8.B above.

B. Participation or Interest in Client Transactions

KWIA provides ongoing portfolio management for the existing KWIA Funds. Investment decisions with respect to the KWIA Funds are made by KWIA's investment committee, acting by majority. KWIA's senior management is responsible for monitoring and managing each respective KWIA Fund's investment portfolio in accordance with the particular KWIA Fund's investment objectives, limitations, and guidelines, and as set forth in the KWIA Fund's governing agreements.

KWIA is subject to restrictions disclosed to investors in the applicable KWIA Fund offering materials and governing agreements relating to principal transactions, cross trades and other affiliated transactions, in which KWIA or its supervised persons may have interests that are adverse to, or in any event potentially not aligned with, the interests of one or more of the KWIA Funds.

A "principal transaction" occurs when KWIA, or one of its affiliates, acting on behalf of its own account sells a security to or buys a security from an advisory client (currently, the existing KWIA Funds). Principal transactions are generally permitted only if KWIA provides written disclosure to the KWIA Fund of the capacity in which it is acting and obtains the KWIA Fund's prior consent to the transaction. KWIA will not ordinarily enter into principal transactions. However, if KWIA deems it to be in a KWIA Fund's best interest to be party to a principal transaction, KWIA may enter into a principal transaction if the transaction complies with the applicable KWIA Fund's governing agreements and SEC requirements and if KWIA consults with its CCO and legal counsel, as appropriate, prior to entering into such transaction.

A "cross trade" occurs when an investment is sold from one KWIA Fund to another. Cross trades

present a risk that the terms of the transaction favor one KWIA Fund (and its underlying investors) at the expense of the other. KWIA may face conflicts of interest in seeking to establish fair terms for such a transaction. Any such cross trades will be effected only in accordance with the Advisers Act and otherwise in compliance with the governing agreements of the applicable KWIA Funds.

An “affiliated transaction” includes a principal transaction, a cross trade and any other transaction in which KWIA or any of its supervised persons has any other interest in the transaction. In general, the Advisers Act and the governing agreements of each KWIA Fund prohibit any transaction with KWIA or its affiliates unless the terms of such transaction are on an arm’s-length basis and on terms no less favorable to the applicable KWIA Fund than would be obtained in a transaction with an unaffiliated party, or unless the KWIA Fund consents to the transaction.

To address the conflicts of interest described above, KWIA investment professionals prepare an investment memorandum (which may be called an “acquisition package” or such similar title) for each new investment opportunity or other transaction. The CCO reviews these investment memoranda. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with senior management of KWIA and legal counsel, if deemed appropriate, in order to recommend courses of action to senior management of KWIA. The senior management of KWIA determines the specific actions to be taken.

C. Personal Trading

Conflicts of interest may arise between a KWIA Fund and KWIA when KWIA or a related person invests in the same securities that it recommends to KWIA Funds, or has another interest in a transaction that is, or may be, in conflict with the interest of any of the KWIA Funds.

KWIA supervised persons may have personal conflicts of interest, such as (i) a material interest in a transaction to be entered into with or for a KWIA Fund, (ii) a relationship that gives or may give rise to a conflict of interest in relation to a transaction or (iii) another interest in a transaction that is, or may be, in conflict with the interest of any KWIA Funds.

To address these conflicts, KWIA’s Code of Ethics (discussed in Item 11.A above) requires, among other items, that each KWIA supervised person who has access to nonpublic information regarding any KWIA Fund’s purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any KWIA Fund, or who is involved in making securities recommendations to KWIA Funds, or who has access to such recommendations that are nonpublic (“Access Persons”) to submit to the CCO a report of his or her current holdings of covered securities, including securities holdings of any account which such Access Person manages or exercises (or shares) investment discretion, as well as holdings of his or her domestic partner and any immediate family members residing with or materially supported by the Access Person (collectively, “Immediate Family Members”). The Access Person must update this report annually.

KWIA’s Code of Ethics also requires that all KWIA Access Persons and their Immediate Family Members obtain the approval of the CCO before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or a private transaction (e.g., private placements and limited offerings). The CCO may place additional restrictions on an Access Person’s personal trading activities.

D. Personal Trading Contemporaneous with Client Transactions

Given the nature of the KWIA Fund's investment programs, KWIA's investment advice principally relates to real estate (rather than securities). However, conflicts of interest may arise when a KWIA Access Persons buys or sells securities for a KWIA Fund at or about the same time as it buys or sells the same securities for its own account. In these situations, KWIA addresses actual or potential conflicts of interest in the manner outlined in Item 11.C above.

In addition to the report of current holdings described in Item 11.C above, KWIA's Code of Ethics requires that Access Persons must submit a quarterly transaction report giving information on the Access Person's personal trading activities.

Supervised persons are generally not permitted to buy or sell any security (or cause another person to do so) if the supervised person is in possession of "material" non-public information relating to the issuer or the transaction. Supervised persons also may not disclose this information to a third party to use in securities transactions in breach of a fiduciary duty. In general, "material" information means information that would reasonably affect, or have a significant impact on, an investor's decision to buy or sell a security, or information that would have been viewed by a reasonable investor as having significantly altered the "total mix" of information available.

ITEM 12 - BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Given the nature of the KWIA Funds' investment program, KWIA does not usually transact through broker-dealers. However, in situations where KWIA may need to select a broker-dealer, KWIA will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions. KWIA does not have any agreements in place that require that KWIA give any specified amount of brokerage to any broker-dealer.

1. Research and Other Soft Dollar Benefits

In practice, KWIA's investment program typically does not focus on investments in listed companies. As a result, it is KWIA's policy not to enter into soft dollar arrangements or to accept soft dollars.

2. Brokerage for Client Referrals

KWIA does not consider whether it or a related person receives client referrals from a broker-dealer or a third party when selecting or recommending broker-dealers.

3. Directed Brokerage

Given that KWIA or its affiliates generally maintain investment discretion on behalf of the KWIA Funds, KWIA can generally require the KWIA Funds to use a specified broker-dealer.

B. Aggregation of Orders of Securities for Client Accounts

Although the investments of the KWIA Funds do not generally require the services of a broker-dealer, KWIA may seek to aggregate orders of securities for the accounts of the KWIA Funds where practicable.

ITEM 13 - REVIEW OF ACCOUNTS

A. Periodic Review of Client Accounts

The portfolio investments of KWIA Funds are regularly reviewed by KWIA investment professionals. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio investment owned by the KWIA Funds. KWIA's senior management performs periodic comprehensive reviews. The offering materials for each KWIA Fund contain specific descriptions of the oversight and monitoring of the portfolio investments of such KWIA Fund.

B. Factors that Trigger a Review of Client Accounts

KWIA investment professionals review the portfolio investments of KWIA Funds on a regular basis. There are no specific triggers to launch a portfolio review.

C. Reports to Clients Regarding Their Accounts

KWIA delivers written financial reports to the KWIA Funds (and their investors) on a quarterly basis or as otherwise required. These reports include information relevant to the KWIA Fund's investments (and each investor's investment in such KWIA Fund). In general, the KWIA Funds (as well as each investor therein) receive written audited annual financial statements (including a balance sheet and a statement of income or loss) and a summary of the portfolio investments of the applicable KWIA Fund.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Client Referrals

KWIA does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the KWIA Funds.

B. Compensation for Client Referrals

KWIA or its affiliates may sometimes enter into arrangements in which persons assist in the capital-raising efforts of a KWIA Fund in exchange for a fee. The fee paid, if any, to such persons may be calculated as a percentage of funds raised by such persons, as specifically negotiated between KWIA and each such person. As a matter of policy, KWIA and its affiliates disclose any such placement agent or finders' arrangement (including compensation thereunder) to investors in the KWIA Fund in respect of whose investment such placement or finders' fee applies. Neither KWIA nor its affiliates engage any placement agent or finder that is not duly registered with FINRA (or, if applicable, corresponding non-U.S. authorities) or duly registered with the SEC as an investment adviser. These types of arrangements are disclosed in the relevant KWIA Fund offering materials.

ITEM 15 - CUSTODY

As required by SEC rules, KWIA maintains any client assets with “qualified custodians.” KWIA’s clients receive account statements directly from such qualified custodians and KWIA advises such clients to carefully review such statements. At present, KWIA does not send account statements to its clients.

ITEM 16 - INVESTMENT DISCRETION

KWIA has discretionary authority to manage the investment portfolios of each of the KWIA Funds. This authority is limited by each KWIA Fund’s governing agreements and investment guidelines, as specifically negotiated between KWIA and KWIA Fund investors. For additional discussion of limitations clients may impose on investing in certain investments or types of investments, see Item 4.C above.

ITEM 17 - VOTING CLIENT SECURITIES

A. Authority to Vote Client Securities

Rule 206(4)-6 under the Advisers Act requires all investment advisers who exercise voting authority over client proxies to: (i) adopt policies and procedures for voting proxies in the best interest of the client; (ii) describe the procedures to clients; and (iii) inform clients how they may obtain information about how the adviser has actually voted their proxies.

Although, due to the nature of its investment program, KWIA does not typically receive (and thus does not typically vote) proxies on behalf of Funds, KWIA has policies and procedures that KWIA believes are reasonably designed to ensure that proxies are voted in the best interests of KWIA Funds and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. The general policy of KWIA is to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) relating to KWIA Funds in a manner that serves the best interest of the KWIA Fund, as determined by KWIA in its discretion, taking into account relevant factors, such as (but not limited to) the impact on the value of the returns of the relevant KWIA Fund and industry and business practice.

If KWIA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, KWIA will vote such proxy as it determines to be in the best interest of the relevant KWIA Fund. If KWIA believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then KWIA will take action in accordance with the applicable KWIA Fund’s governing agreements or as otherwise determined by KWIA to be in the best interest of the KWIA Fund. This may include, but is not limited to, seeking approval of the voting decision for such proxy proposal from a relevant KWIA Fund’s investor advisory committee (if applicable), which is comprised of representatives of investors in the applicable KWIA Fund and is authorized to grant consents on behalf of the KWIA Fund.

The CCO is responsible for identifying any potential conflict of interest for each proxy, and reporting this information to KWIA’s senior management. KWIA’s senior management is responsible for determining how to vote such proxies and whether to confer with the investor advisory committee of an applicable KWIA Fund before voting.

The CCO is responsible for monitoring compliance with KWIA's proxy voting policies and procedures. The CCO will also maintain, or have available, written or electronic copies of each proxy statement received and of each executed proxy, as well as all applicable records relating to each proxy.

Information requests regarding KWIA's proxy voting policies and procedures and/or how KWIA has voted on specific proxies may be made to the CCO.

Because KWIA has authority to vote client securities, Item 17.B of Form ADV Part 2A (addressing considerations if an adviser does not have authority to vote client securities) has been omitted.

ITEM 18 - FINANCIAL INFORMATION

A. Balance Sheet

Not applicable.

B. Financial Conditions Likely to Impair Contractual Commitments

KWIA is unaware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

C. Bankruptcy Petitions

KWIA has not been the subject of a bankruptcy petition at any time during the past ten years.