

Part 2A of Form ADV: *Firm Brochure*

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This brochure, dated November 24, 2014 (this "Brochure"), provides information about the qualifications, investment strategies and business practices of Heitman International LLC (the "Firm"), an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC"). Please note that SEC registration status does not indicate a particular level of skill or training of the Firm or its employees and that neither the SEC nor any state securities authority has approved this Brochure. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact Gordon Black at +44.207.318.1035 or by e-mail at gordon.black@heitman.com.

Additional information about the Firm is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number, or our firm's name. The Firm's CRD number is 107707.

Item 2 Material Changes

The Firm is providing clients with this Brochure in compliance with the SEC's disclosure rules under the Investment Advisers Act of 1940 (the "Advisers Act").

This Brochure provides a summary of the Firm's qualifications, investment strategies and business practices. In future years, this Item will provide a summary of material changes since the prior year's annual update.

As discussed in Item 4 below, prior to March 2014, the Firm was a "relying adviser" related to Heitman Capital Management LLC ("HCM") and was deemed to be an SEC-registered investment adviser based on guidance provided by the staff of the SEC. In March 2014, the Firm separately registered as an investment adviser. As compared to HCM's Brochure dated March 31, 2013, there have been the following material changes (in addition to certain revisions intended to address the Firm's new status as a separately registered adviser):

- Based upon certain changes in operations, the Firm's Japanese affiliate, Heitman International LLC—Japan Branch has ceased to be treated as a "relying adviser" and Item 10 has been amended to reflect this change.
- Effective January 1, 2014 Randall Ramey was appointed Chief Compliance Officer.

Other than these changes, no other material changes to the Firm's qualifications, investment strategies or business practices have occurred in the past year. Any material changes to this Brochure and/or subsequent Brochures will be sent to you within 120 days of the close of the Firm's fiscal year. Any interim disclosures about material changes will also be forwarded to clients as necessary.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-By-Side Management	8
Item 7	Types of Clients	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	17
Item 10	Other Financial Industry Activities and Affiliations	17
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12	Brokerage Practices	21
Item 13	Review of Accounts	22
Item 14	Client Referrals and Other Compensation	22
Item 15	Custody	22
Item 16	Investment Discretion	23
Item 17	Voting Client Securities	24
Item 18	Financial Information	24

Item 4 Advisory Business

Background

Heitman International LLC (“HI”) was founded in 1999. In 2012 the Firm was a “relying adviser” related to HCM, which is an affiliate of the Firm, and was deemed to be an SEC-registered investment adviser based on guidance provided by the staff of the SEC. In December, 2014, the Firm separately registered as an investment adviser. As compared to HCM’s Brochure dated March 31, 2013, there have been no other material changes than those disclosed in Item 2. The Firm conducts advisory business managing investments in real estate for pooled investment vehicles and separate account clients.

The Firm engages principally in investment and in management of real estate investments in Europe for institutional and individual investors, either in separate account or commingled fund formats.

Ownership Structure

The entities controlling 25% or more of the Firm are:

- Heitman LLC (“HLLC”), Sole Member of HI

In addition, the following information identifies those entities that directly (“D”) or indirectly (“I”) own 25% or more of HLLC:

- KE I LLC, Member of HLLC (D);
- Old Mutual (HFL) Inc., Member of HLLC (D);
- Old Mutual (US) Holdings Inc., 100% shareholder of Old Mutual (HFL) Inc. (I);
- OMAM UK Ltd, 100% shareholder of Old Mutual (US) Holdings Inc. (I)
- OMAM US, Inc., 100% shareholder of OMAM UK Ltd. (I)
- OMAM Asset Management Limited, 100% shareholder of OMAM US, Inc. (I)
- OM Group (UK) Limited, approximately 80% shareholder of OM Asset Management Limited (I). OM Group (UK) Limited has sold approximately 20% of its interest in OM Asset Management Limited to the general public per an IPO effective October 2014.
- Old Mutual Plc, 100% shareholder of OM Group (UK) Limited (I).

Other Related Entities

Section 7.A of Schedule D in the Firm’s Form ADV, Part I, which is accessible by following the directions on the Cover Page of this Brochure, discloses entities that are subsidiaries, either directly or indirectly, of the Firm’s parent entity (hereafter collectively, “Heitman Affiliates”). This disclosure includes all registered investment adviser and broker-dealer Heitman Affiliates.

Section 7.A of Schedule D also discloses as a “related person” Rogge Global Partners plc (“RGP”), a registered investment adviser in which Old Mutual also owns an interest. The Firm provides research and risk analysis regarding collateralized mortgage backed securities in connection with a Strategic Alliance Agreement entered into with RGP by the

Firm's parent. This section also discloses Old Mutual Investment Management Limited, the sponsor of the Old Mutual Global Property Securities Fund. This fund is sub-advised by a Heitman Affiliate. This sponsor is also a "related person" in which Old Mutual owns an interest. See Item 10 for further details.

Other than the entities disclosed in Section 7.A of Schedule D, other entities that could be considered "affiliates" because of common ownership and control by Old Mutual are not listed in this section because the Firm (i) has no business dealings with any of these advisers in connection with advisory services provided to our clients, (ii) does not conduct joint operations with any of these advisers, (iii) does not refer clients or business to any of these advisers and the advisers do not refer prospective clients or business to the Firm (iv) does not share any supervised persons or premises with any of the advisers and (v) has no reason to believe that the relationship with any of these advisers creates a conflict of interest with our clients.

The Firm and its affiliates utilize limited partnerships or other pooled investment vehicles (the "Heitman Funds") for investment purposes principally for institutional investors. The Firm or one or more Heitman Affiliates also acts as general partner, manager, or in other similar capacities and serves as the investment advisers of these Heitman Funds. The Firm or its affiliates provide each prospective investor in a Heitman Fund with the fund's private placement memorandum or comparable offering document, which contains information specific to that investment opportunity.

Additionally, the Firm and other Heitman Affiliates create special purpose entities, including limited partnerships or similar vehicles which are comprised of one or more investors but which are not organized as Heitman Funds ("Client Entities"). Similar to Heitman Funds, the Firm and/or another Heitman Affiliate may act as general partner, as managing member, or in a similar capacity and also serve as the investment adviser for these Client Entities. These entities are created for the purpose of facilitating certain investments in real estate on behalf of one or a limited number of clients. These types of structures are common for real estate investments and are utilized for tax efficiency and limited liability reasons.

Scope of Services

When a Heitman Affiliate creates a new Heitman Fund or new Client Entity, it determines the investment objectives and strategies that will be followed by such entity, which are set out in that entity's offering documents. For separate account clients, the Firm establishes client investment goals and objectives utilizing an information gathering process designed to determine each client's individual investment objectives for capital appreciation, growth and income, tax considerations, time horizons, risk tolerance and liquidity needs (a Heitman Fund, a Client Entity or a separate account are collectively referred to as "clients"). If appropriate, the Firm will also review each client's prior investment history. Other client preferences and investment objectives, as well as desired level of involvement in investment decisions, dictate whether the Firm manages an account on a discretionary or non-discretionary basis. Clients may impose reasonable restrictions on investing with respect to certain strategies, certain property types or geographic areas.

The Firm provides continuous advice to its clients regarding their investments. The nature of the investment advisory service provided by the Firm relates to the acquisition, operation, sale of real estate investments and to real estate debt financing transactions secured by real estate. The advice may entail recommendations as to holding real estate through limited partnership interests, general partnership interests, joint venture interests, units in group trusts, interests in limited liability companies, equity interests in corporations (each of which may directly or indirectly own real estate), interests in comparable legal structures formed in jurisdictions outside the United States, or a combination of any of the above. For private equity and debt investments the Firm and/or a Heitman Affiliate also monitors the performance of property managers and joint venture operating partners.

Each client's investment guidelines are set forth in an Investment Management Agreement or other comparable agreement or document ("IMA") between the Firm and the client, and the Firm creates and manages an investment portfolio for the client based on these guidelines.

Publication of Periodicals or Newsletters

The Firm's affiliate may provide publications prepared by the Firm's affiliate to clients, investors in Heitman Funds and Client Entities and other professional representatives or organizations, such as consultants. No fee is charged for such publications.

Amount of Managed Assets

As of September 30, 2014, the Firm actively managed \$1,827,489,812 of assets on a discretionary basis and \$1,568,696,854 of assets on a non-discretionary basis.

Item 5 Fees and Compensation

Advisory Services Compensation

- For its services, the Firm may receive one or more of the following fees (for purposes of this section, "client" shall include separate account clients as well as Heitman Funds and Client Entities to which the Firm or a Heitman Affiliate provides services): An acquisition fee based on a sliding or a fixed percentage generally ranging from no fee to 1.5% of the amount invested, which may include debt related to the acquisition of the property. Alternatively, the Firm may negotiate a fixed acquisition fee.
- A portfolio management fee based on a percentage of contributed capital, aggregate original investment costs, carrying values and/or a percentage of net operating income (before or after debt service). When such fees are based on contributed capital, original investment cost or carrying values, the fees generally range from 0.30% to 2% per annum. When the fees are based on net operating income (before or after debt service), the fees generally range from 4% to 9%. Alternatively, the Firm may charge a negotiated fixed portfolio management fee.
- A disposition fee based on a sliding or fixed percentage generally ranging from no fee to 1% of net proceeds, which may include proceeds used to retire debt. Alternatively, the Firm may negotiate a fixed disposition fee.
- Performance or incentive fees negotiated on an individual basis with the client, subject, if applicable, to the requirements of Section 205 and Rule 205-3 under the Advisers

Act. Such fees are generally based upon the extent to which either realized or unrealized gains exceed either a national index or a predefined benchmark or investment return hurdle. If unrealized gains are included, they are typically based upon either an internal or independent appraisal generally subject to a reconciliation based upon actual results.

- A financing fee, which generally ranges from no fee to 1%, based on a percentage of borrowing or refinancing of the property. Alternatively, the Firm may charge negotiated fixed financing fees.
- A development supervisory fee, which generally ranges from no fee to 0.5%, based on a percentage of actual gross construction costs.
- In connection with the proposed Strategic Alliance Agreement, RGP, a “related person”, will pay the Firm 40% of the fees paid to RGP.

The Firm and its clients negotiate all fees concurrent with or prior to entering into an IMA and each client’s IMA identifies all applicable fees. Generally, the Firm is paid in arrears, although one Heitman Fund currently pays fees quarterly in advance. The Firm sends an invoice identifying the fees to each client and, if applicable, to each client’s custodian in accordance with the client’s IMA. In certain instances, the Firm is permitted to directly deduct portfolio management fees from accounts on a quarterly basis generally in arrears. The Firm generally invoices transaction fees (acquisition, disposition or financing and performance or incentive) to the client and, if applicable, to the client’s custodian at the time of completion of the particular transaction.

From time to time, the Firm may give advice with respect to the acquisition of stock issued by real estate companies and with respect to other securities and/or real estate. Fees for such advice and situations where the Firm replaces another adviser (takeover portfolios) are negotiated on a case by case basis.

As described in greater detail in Item 15 of this Brochure, the Firm establishes bank accounts as an agent for each client with unaffiliated financial institutions in order to administer investment activity for each client.

Limited Negotiability of Advisory Fees

In addition to the fee(s) described above, the Firm retains the discretion to negotiate alternative fees on a client-by-client basis. The Firm considers each client’s circumstances and needs in determining the fees applicable to each client. Examples of these factors include, among other things, the complexity of the client’s investment strategy, the amount and type of assets to be acquired and managed, and reporting requirements.

Termination of the Advisory Relationship

Either the client or the Firm may cancel an IMA for a separate account for any reason by providing written notice to the other party. Generally, the client must provide this notice no less than 30 days, and the Firm must provide this notice no less than 90 days, prior to the date of termination. In addition, investors in each Heitman Fund may terminate the Firm or any other Heitman Affiliate, as applicable, as the investment manager under the terms of

each such Fund's organizational documents. Upon termination of any advisory relationship, an accounting true-up will be completed to determine fee refunds required or amounts owed (if any).

Advisory Fees in General

Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for lower fees.

Brokerage Fees or Costs

Item 12 of this Brochure provides a detailed description of the Firm's brokerage practices and related cost or fees.

Minimum Account Size

The minimum dollar amount for establishing a separate account is generally \$100,000,000.

With respect to the Heitman Funds, minimum capital commitment size varies from fund to fund, but the Heitman Funds generally require a minimum commitment of \$5 million, subject to the Firm's discretion to permit smaller investments.

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

As described in Item 5 of this Brochure, the Firm may receive a performance or incentive-based fee from its clients. Calculation of this performance or incentive-based fee is typically based on a share of capital gains on or capital appreciation of the assets of the client.

Clients should be aware that a performance or incentive-based fee arrangement may create an incentive for the Firm to recommend investments which may be riskier or more speculative than those that the Firm may recommend under a different type of fee arrangement. In addition, due to the method of calculating incentive compensation which the Firm may be entitled to, the amount of such compensation may be affected by the timing of dispositions and other factors within the control of the Firm.

It should be noted that the Firm does not currently have any mandates that conflict in terms of investment strategy. However, should it occur that overlapping mandates are secured then the Firm would utilize a process that has been refined by HCM over many years, whereby, all potential investments are initially evaluated by senior management for the appropriateness for each client, taking into consideration such factors as risk profile, investment structure, geographic location, execution timing constraints, portfolio objectives and property type.

In the circumstance where a potential investment is deemed suitable for more than one client, and one of the accounts receives a performance/incentive fee, there could be an incentive to the Firm to invest on behalf of the client with the performance/incentive fee.

However, when there are overlapping mandates, this potential conflict is mitigated by utilizing an investment allocation policy. The Firm would maintain separate investment allocation lists for each type of investment strategy it executes for clients, be it either core, value-added or

opportunistic. In the event a potential investment is suitable for more than one client, the investment is allocated to the client holding the highest priority on the applicable allocation list. Every active client of the Firm is chronologically ordered on the list based on length of elapsed time since the last investment for such client was made, with highest priority granted to the client next eligible on the list. Should an investment be allocated to a client but fail to close, the client will retain its position on the list. If a non-discretionary client is offered an investment and declines to pursue it, the client retains its position on the list, but after three such events, the non-discretionary client is placed at the end of the rotation.

Item 7 Types of Clients

The Firm generally provides advisory services to clients who are:

- Pension and profit-sharing plans
- Commingled investment vehicles (Heitman Funds)

Item 5 of this Brochure discloses that the Firm has established certain initial minimum account requirements based on the nature of the service(s) it provides.

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

Methods of Analysis and Investment Strategies

The Firm's investment process begins with understanding the specific investment objectives of our clients, as set forth in each client's IMA and the offering materials of Heitman Funds and/or Client Entities, to the extent applicable. Senior portfolio managers may work with the Firm's research group to provide input on investment strategy, risk tolerance and diversification objectives of clients and other serviced entities. General investment priorities that match market opportunities with client objectives are then established to begin the construction of an investor's portfolio. Our equity investment teams pursue opportunities based on these guidelines.

Every investment is sponsored by a multi-disciplined team of the Firm's investment personnel who are responsible for preparing preliminary underwriting analyses for the various investment opportunities they are evaluating and this information is one of the factors considered when allocating the investment to a client. Additional considerations to the aforementioned preliminary underwriting factors include that the potential investment must meet the applicable investment objectives in terms of size, expected return, risk tolerance and geographic and property type diversification.

Once an allocation decision is made and taking into account client requirements, a more detailed underwriting process commences conducted by the multi-disciplined investment team assembled to pursue the investment. Participants include acquisitions group, portfolio management, asset management, research, finance, and investor reporting. The Firm employs both a bottom-up as well as a top-down approach to evaluating investment opportunities. From the bottom-up the Firm completes a quantitative and qualitative analysis of the real estate and its local market. This includes a review of the projected return on investment (cash flows, going-in yields, IRR, etc.), stability of cash flows (lease roll-over,

capital expenditures), re-financing risk (if any), investment amount versus replacement cost, market supply and demand and competitive position in the market. This analysis also includes performing a stress test on various underwriting assumptions, such as: rental growth rates, occupancy, capital expenditures, real estate taxes, insurance expense, initial market rents, exit capitalization rate, lease-up timing and interest rates. Assumptions are varied to isolate and evaluate their impact on the property's overall risk and return profile.

From the top-down, the Firm evaluates capital market conditions including monitoring general liquidity and pricing momentum, interest rate movements, projected economic growth and other macro trends in each region of the world and for each of the respective property types. If the negotiations with a seller lead to an agreement in principle, a letter of intent is typically entered into between the parties. The letter is non-binding but outlines the salient terms of the transaction and is viewed as an indication of intent. Once a letter of intent is executed, the investment team prepares and submits its investment brief to the appropriate Investment Committee of the Firm, as applicable, for its review and consideration. The brief includes an investment underwriting analysis and valuation which includes a base case underwriting and sensitivity scenarios for the investment. We believe this helps focus the review on the investments' merits, strengths and weaknesses and the bottom-up and top-down analysis provides a solid foundation for a conclusion to be reached as to whether to include the investment in a client's portfolio. Material also includes portfolio diversification analysis and weightings per client. The Firm's appropriate Investment Committee must formally approve all new equity investments, dispositions, refinancings and other major decisions pertaining to an investment.

Once a property becomes a part of a client's portfolio, the Firm's portfolio and asset management teams take on primary responsibility for the execution of the business plan. The portfolio management process is a collaborative endeavor. The portfolio manager, asset managers and financial reporting team are all involved in the ongoing asset management function which includes coordinating each of the disciplines required to manage the individual assets within the applicable portfolio such as property managers and leasing specialists, auditors, researchers, engineers and construction professionals, joint venture partners, legal and due diligence specialists.

Portfolio management team responsibilities include:

- **Guidance, Review and Approval of Annual Operating and Capital Budgets:** For equity investments, annual operating and capital budgets are prepared by third-party property management and leasing personnel with guidance from the portfolio and asset managers. These budgets provide the annual operating parameters for the third-party managers to follow when making decisions related to leasing, operating and managing an asset including any potential capital improvements.
- **Development of Annual Business Plans:** For each new equity investment, the asset manager prepares an annual business plan which is comprised of strategic and operational objectives and implementation tactics in order to execute the investment's business plan that was established at acquisition. The plan includes key operating goals for the investment such as financial projections and sources and uses of cash. In collaboration with research, the portfolio manager also provides an overview

of market conditions relevant to the property and how they may contribute or deter from achieving the original investment objectives.

- **Property Valuations:** The equity investment asset manager coordinates the preparation of market valuations for each investment in the portfolio. This involves managing the external valuation process administered by independent appraisal firms and/or completion of internal valuations. The asset manager is responsible for recommending final market values to the Firm's Valuation Committees. These Committees must review and approve all proposed asset value changes. As part of the portfolio management process, each property is reviewed quarterly for significant events affecting value. Approved market values are then incorporated into the net asset value calculations and performance reports submitted to investors.
- **Hold/Sell Analysis:** The Firm's goal is to maximize portfolio return for its clients and fund entities while striving to minimize risk. This means that when an equity investment's business plan has been executed at the property or investment level, and market conditions are conducive to exit at acceptable or better-than-acceptable returns, the asset should be considered for sale. On at least an annual basis, the portfolio manager prepares a hold/sell analysis for each asset. In seeking the optimal time for disposition, the Firm's approach involves both a qualitative and a quantitative analysis of the asset and its market. The hold/sell analysis typically includes a review of the following factors:
 - Business plan achievement
 - Currency and tax considerations for offshore investors
 - Diversification and/or allocation benefits of investment in portfolio
 - Environmental and physical issues
 - Equity and debt capital structure considerations
 - Going forward IRR compared to relevant benchmarks
 - Holding period compared to original anticipated holding period
 - Market supply and demand and competitive position in the market
 - Replacement cost compared to the Firm's current estimate of value
 - Since inception IRR through most recent valuation and through continued ownership
 - Stability of cash flows (lease rollover, capital expenditures)
 - Status of venture partner (if applicable)
 - Third party opinion of value (either a broker opinion of value or appraisal) compared to the Firm current estimate of value
 - Total returns in comparison to investment and portfolio benchmarks

All unsolicited offers are evaluated and may in and of themselves trigger an update to a hold/sell evaluation. If the analysis confirms that it is appropriate to sell an asset and the portfolio manager agrees. Whether it is an unsolicited offer or the Hold/Sell analysis outlined above, once the Portfolio Manager approves proceeding with the disposition process, the asset manager prepares a marketing brief which is submitted to the Firm's appropriate Investment Committee for review and approval. The brief sets out the portfolio management team's rationale for recommending that an asset be

sold as well as the estimated terms that can be expected from a sale process. If the recommendation is approved by the respective Investment Committee, the portfolio and asset managers work with the finance team and senior management to effectuate property sales beginning with identifying the appropriate third party marketing agent to effect the exit from the investment. The portfolio manager is also responsible for securing a client's written approval, if necessary, to complete a sale. Contract terms vary depending on market conditions, but exits from the portfolio typically can be implemented within 90-120 days. The portfolio management team will reserve sufficient sale proceeds to meet known and unknown future obligations of the title holding entity, including but not limited to, accounts payable, legal fees and reserves to cover potential claims under any contractual representations and warranties and reasonable unspecified reserves for a reasonable period of time.

- **Third-Party Property Management and Operating Partners**

The equity investment asset manager supervises the property management firms that manage the assets within their portfolios including hiring and firing (if necessary) to ensure they meet the Firm's standards. The Firm does not have an affiliated property management company; all investments are managed by third-party property managers and, in the case of a joint venture, frequently by property management affiliates of the joint venture partner. The portfolio manager visits properties and meets with property managers on a regular basis. The asset manager actively manages the asset by focusing on such factors as performance of the property compared to expectations and related benchmarks, compliance with provisions of the property management agreement, physical condition and maintenance of the property and responsiveness and knowledge of the property manager.

For debt investments, each borrower is responsible for providing the direct property management of each underlying asset.

Risk of Loss

An investment in real estate involves significant degrees of risk, some of which are outlined below.

- **General Risk of Real Estate Investments:** Equity investments in real estate are subject to the risks generally incidental to ownership and operation of income-producing real estate. Real estate values are affected by a number of factors, including: (i) the illiquidity of investments; (ii) the possibility that cash generated from operations will not be sufficient to meet fixed obligations; (iii) changes in economic conditions affecting real estate ownership directly or the demand for real estate; (iv) changes in the macro economic climate within the US and globally; (v) the need for unanticipated expenditures in connection with environmental matters; (vi) changes in real estate tax rates and other operating expenses; (vii) adverse changes in laws, governmental rules (including those governing usage, improvements, zoning and taxes) and fiscal policies; (viii) acts of God, including earthquakes and fire (which may result in uninsured losses); (ix) environmental and waste hazards; (x) energy and supply shortages; (xi) uninsured losses or delays from casualties or condemnation; (xii) risks from operating problems arising out of the presence of certain construction materials; (xiii) structural or property level latent defects; (xiv) local conditions (such as

an oversupply of space or a reduction in demand for space); (xv) the quality and philosophy of management; (xvi) competition based on rental rates; (xvii) attractiveness and location of the properties and changes in the relative popularity of commercial properties as an investment; (xviii) financial condition of tenants, buyers and sellers of properties; (xix) quality of maintenance, insurance and management services; (xx) changes in interest rate levels and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; and (xxi) other factors that are beyond the Firm's control. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property) could also create risks of successor liability.

- **Third Party Involvement:** In some cases, the Firm on behalf of its clients invests in partnerships or comparable venture structures formed for the purpose of investing in real estate. Such investments may have shared or limited control with respect to such investments. As a result, those investments may involve risks not present in other types of investments where a third party is not involved, including the possibility that: (i) the Firm, on behalf of its clients, and the operating partner may reach an impasse on a major decision that requires the approval of both parties; (ii) an operating partner may at any time have economic or business interests or goals that are inconsistent with those of the clients; (iii) the operating partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the operating partner may be in a position to take action contrary to the client's investment objective; (v) the operating partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the clients may be liable for actions of their operating partners. It may also be more difficult for the client to sell its interest in the investment. The operating partner may have joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the client to engage in a buy-sell of the venture with the operating partner or conduct the forced sale of such investment. As a result of these risks, the client may be unable to fully realize its expected return on any such investment.
- **Failure to Meet Targeted Returns:** Investments are made based on the Firm's estimates or projections of internal rates of return, cash on cash returns and other similar metrics, which in turn will be based upon various factors, including projections of future growth rates and interest rates of applicable markets, development and redevelopment and/or operating costs, rental and lease-up rates of commercial properties and disposition timing and proceeds, all of which are inherently uncertain. The actual performance of the investments may differ from the projections of the Firm and may differ materially. Clients have no assurance that the investments made by the Firm will achieve targeted total returns on investments.
- **Environmental Risks:** Under various laws, ordinances and regulations of the jurisdictions in which the Firm operates, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances.

The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the return from such investment. An owner or operator of a facility may also be required to comply with various laws, ordinances and regulations regarding the handling, production, storage, use, discharge, or disposal of regulated materials.

Prior to purchasing an equity interest in any property, the Firm reviews a Phase I environmental assessment prepared by an independent environmental consultant. A Phase I assessment typically includes an inspection of the property and a review of public records but no sampling of soil, surface water, groundwater, or other media. If the Phase I assessment reveals cause for concern, the Firm may direct the consultant to conduct further investigation of environmental risks associated with the property, including sampling. No assurance can be given, however, that either a Phase I assessment or subsequent investigation will reveal all potential environmental liabilities and properly assess their scope.

- **Harmful Mold and Other Air Quality Issues:** When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to radon, airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the properties could require undertaking a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a client to liability from tenants, employees of tenants and others if property damage or health concerns arise.
- **Risky and Illiquid Investments:** Investments made in real estate are likely to be risky and illiquid. Such investments may be unsecured and subordinated to material amounts of senior indebtedness. The investments may not be protected by financial covenants or limitations upon additional indebtedness. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their sale. Dispositions of investments also may be subject to contractual and other limitations on transfer (including prepayment penalties with respect to property-level debt) or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. The possibility of partial or total loss of capital will exist and entities advised by the Firm must be able to bear the consequences of such loss. Even if the investments are successful, they may not produce a realized return for an unspecified duration of time.

- **Leverage:** In some situations, the investments made will employ leverage in connection with the initial acquisition. The percentage of leverage used will vary depending on the estimated stability of the investment's cash flow, as well as on market conditions. To the extent that changes in market conditions cause the cost of financing to increase relative to the income that can be derived from an Investment, the amount leveraged may be reduced. While the use of leverage may enhance returns and increase the number of investments that can be made, it will also increase the risk of loss. As an investment incurs indebtedness, it will become subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments and that existing indebtedness will not be able to be refinanced or that the terms of that refinancing will not be as favorable as the terms of existing indebtedness. To the extent that an investment is unable to meet required debt service payments, the applicable client risks the loss of the particular investment.

The use of leverage involves a high degree of financial risk and will increase the exposure of the investment to adverse economic factors such as rising interest rates and downturns in the economy. In addition, debt financing may restrict the amount of funds available for distribution to clients.

- **Capital Expenditures:** Although the Firm, in its management, valuation and underwriting of potential equity investments, will provide good faith projections of the short to medium term capital needs of such investments, there can be no assurance that the capital needs of any of the properties in which investments are made from time to time will not exceed such estimates or that a property will generate sufficient cash flow to cover its capital needs.
- **Casualty Losses; Uninsurable Losses:** Comprehensive casualty insurance will be maintained on Investments, including liability and fire and extended coverage, in amounts sufficient to permit replacement in the event of a total loss, subject to applicable deductibles. The Firm will endeavor to obtain coverage of the type and in the amount customarily obtained by owners of properties similar to the real property that it acquires in the future. There are certain types of losses, however, generally of a catastrophic nature, resulting from, for example, earthquakes, floods, hurricanes, pollution, environmental matters, wars, riots, nuclear reactions and terrorist acts, which may be uninsurable or not economically insurable. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums which can greatly increase the total costs of casualty insurance for a property. As a result, investments might not be insured against terrorism. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the Investment properties pledged as collateral for loans and other factors also might make it economically impractical to use insurance proceeds to replace improvements on a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received, if any, might not be adequate to

restore the Investment. If a major uninsured loss occurs, the client could lose both invested capital in and anticipated profits from the affected investment.

- **Non-US Investments.** Non-US real estate-related investments involve certain factors not typically associated with investing in real estate-related investments in the United States, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the US dollar and the various foreign currencies in which the client's investments may be made and costs associated with conversion from one currency into another, (ii) differences between US and foreign real estate markets and (iii) certain economic and political risks, including potential exchange-control regulations, potential restrictions on non-US investment and repatriation of capital and the possibility of expropriation or confiscatory taxation.
- **Currency and Exchange Rates; Hedging Policies.** The functional currencies of the client accounts are the US dollar, the Euro- or other applicable currency, as appropriate. Accordingly, some investors will be subject to the risks associated with fluctuations in currency exchange rates between the investments' currency and the clients' national currency. As such, the performance of clients could be adversely affected by fluctuations in the currency exchange rates, the costs of conversion and exchange control regulations, in addition to the performance of the Investment itself. To mitigate such risks, clients may obtain financing in the relevant foreign currency and may enter into hedging transactions, such as treasury locks, forward contracts, fixtures contracts, cross-currency swaps and interest rate swaps. While such hedging transactions may reduce such risks, they may result in a poorer overall performance for a client than if it had not entered into such hedging transactions.
- **Interest Rate Risks:** Investments in real estate result in exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of investments (e.g., interest rate changes may affect, among other items, the cash flows of an investment directly and the cost of leverage).
- **Litigation:** In the ordinary course of its business, owners of real estate may be subject to litigation from time to time. The outcome of such proceedings may adversely affect the value of an Investment and may continue without resolution for long periods of time.
- **Regulation:** Governmental authorities of the jurisdictions in which the Firm operates are actively involved in the promulgation and enforcement of regulations relating to land use and zoning restrictions. Regulations may be promulgated which could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. The establishment of such regulations could have the impact of increasing the expenses and lowering the profitability of any of the properties affected thereby. Increased costs resulting from increases in real estate, income or transfer taxes or other governmental requirements generally may not be passed through directly to residents, tenants or lessees, inhibiting the ability to recover such costs.

- **Reassessment and Transfer Tax:** To the extent that an interest in real property is assigned, transferred, financed, or restructured in the ordinary course of business, certain jurisdictions may (i) seek to reassess the underlying real property, which may result in higher ad valorem property taxes and/or (ii) impose a stamp, recording, deed, or other transaction-based tax on such transaction.
- **Financial Market Fluctuations:** General fluctuations in the market prices of securities may affect the value of Investments. Instability in the securities markets may also increase the risks inherent in Investments.
- **Financial Condition of Tenants:** An Investment's results of operations, distributable cash flow and the value of the interests would be adversely affected if a significant number of its tenants are unable to meet their lease obligations. In the event of default by a significant number of tenants, the Investments may experience delays and incur substantial costs in enforcing rights as the owner of the properties.

Item 9 Disciplinary Information

The Firm and its management personnel must disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of the Firm's advisory business or the integrity of the Firm's management. The following is the only such event known to the Firm:

On January 11, 2011, following a December 2010 car accident in London where Gordon Black, a senior officer of the Firm, was driving and after which he failed to pass a breathalyzer test, he was convicted of driving a motor vehicle when his alcohol level was above the limit, as a result of which his driving privileges were suspended for 20 months (such a suspension is automatically imposed for all such driving offenses) and he was fined £3,600. In addition, although Mr. Black had a valid U.S. driver's license, because he had been in the UK for more than one year and had not taken and passed a UK drivers test at the time of the accident, his automobile insurance was invalidated, an offense for which he was convicted and fined £500.

Item 10 Other Financial Industry Activities and Affiliations

Other Pooled Investment Vehicle(s)

As described in Item 4, the Firm and other Heitman Affiliates create limited partnerships or similar pooled investment vehicles referred to as "Heitman Funds" and "Client Entities". The Firm or its affiliate acts as the investment adviser to such entities. As described later in this section, the Firm or its affiliate solicits investors to invest in these entities through affiliated broker-dealers. Further, unaffiliated third parties may in some cases be utilized to solicit investors to invest in these entities, as described in Item 14.

Additionally, other Heitman Affiliates perform services for Heitman Funds and other clients similar to the services performed by the Firm. While not the case today, as it adds mandates the Firm will monitor whether any clients have investment objectives and policies comparable to those of the Firm's other clients and thus potentially be in competition with such other clients. Notwithstanding the foregoing, in such circumstances, the Firm will maintain a

separate rotation list for each investment strategy that the Firm pursues on behalf of its clients which is described in further detail in Item 6.

Heitman Management Company S.a.r.l. ("HMC Sarl") is a wholly owned subsidiary of Heitman International S.a.r.l. ("HI Sarl") and due to a recently implemented European regulation titled, the Alternative Investment Fund Manager Directive ("AIFMD"), HMC Sarl is currently applying for registration with the Luxembourg regulators as an alternative investment fund manager ("AIFM"). In accordance with the requirements of the AIFMD, HMC Sarl will be the AIFM for all future Heitman sponsored funds designed to invest in real estate that are initiated in Luxembourg and as such will provide investment management functions (i.e. risk management and portfolio management), administration and marketing functions to these funds.

Since HI S.a.r.l. is not an AIFM, it is not able to provide investment advisory and investment asset management services for future Heitman sponsored European funds. However, HI Sarl is able to provide investment advisory and investment asset management services for existing Heitman sponsored European funds which are exempted from the new AIFMD requirements.

Further, Heitman Real Estate Securities LLC, a Heitman Affiliate, is currently the sub-adviser to the Old Mutual Global Property Securities Fund, which is registered with the UK Financial Services Authority.

Also, the Heitman European Real Estate Opportunity Fund ("HERO Fund") is registered under the laws of Luxembourg as an Undertakings for Collective Investment in Transferable Securities' Fund ("UCITs Fund"). Heitman International Real Estate Securities GmbH, a Heitman Affiliate, serves as the investment adviser to the HERO Fund. The UCITs Fund is regulated by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF). In the event that any of its affiliations present potential conflicts of interest, the Firm will either resolve the conflict of interest or follow established written policies and procedures for disclosing such conflicts of interests to its clients.

Other Financial Industry Affiliates' Activities

As described in Item 4, Heitman Affiliates are registered as investment advisers or broker-dealers. The Heitman Affiliates conduct the following business activities:

- Heitman Securities LLC ("HSL") is a registered broker-dealer and member of the Financial Industry Regulatory Authority. Heitman UK Limited ("HUK") is a broker-dealer registered with the United Kingdom's Financial Services Authority. Heitman HK Limited, ("HHK") is licensed as a placement agent by the Securities and Futures Commission of Hong Kong. From time to time, the Firm may use HSL, HUK or HHK as a placement agent for security offerings of Heitman Funds.
- Several personnel of the Firm are registered representatives or approved persons of these registered broker-dealers. These persons do not receive compensation for their broker-dealer or placement agent duties.

- Heitman Capital Management LLC is an SEC-registered investment adviser that conducts worldwide advisory business managing investments in private equity real estate for pooled investment vehicles and separate account clients.
- Heitman International- Japan Branch is a branch of Heitman International LLC that was established in Tokyo, Japan to act as an operational liaison and to assist in reporting to public securities clients. In addition, the branch office markets certain Heitman sponsored private equity funds to Asia-Pacific clients.- It also provides client service and reporting services to existing investors in Heitman's open-ended fund.
- Heitman International HK Limited is a private equity investment adviser that is registered with the SEC and the SFC in Hong Kong that engages principally in investment and in management of real estate investments in Asia-Pacific for pooled investment vehicles and separate account clients
- Heitman Real Estate Securities LLC ("HRES"), Heitman International Real Estate Securities GmbH ("HIRES GmbH"), Heitman International Real Estate Securities HK Limited ("HIRES HK") and Heitman International Real Estate Securities Pty Limited ("HIRES Pty") are SEC-registered investment advisers that manage portfolios composed principally of publicly-traded equity securities of real estate investment trusts and other real estate related securities. HRES, HIRES GmbH, HIRES HK and HIRES Pty from time to time will draw upon the market research capabilities of the Firm's parent in making portfolio selections.
- HIRES Research provides research services to HIRES GmbH.
- The Firm's parent provides certain central office support functions such as compliance and anti-money laundering monitoring, human resources, information technology and other similar enterprise wide activities.
- In addition, under local law, two of the Firm's officers located in Japan, in their capacities as officers of the general partners of certain Heitman Funds, are permitted to market interests in those Heitman Funds to qualifying investors located in Japan. These officers do not receive any commissions or other special compensation in connection with these activities.

As described in Item 4, the Firm's affiliate, pursuant to an agreement entered into by the Firm's parent, provides RGP, a "related person", with certain non-discretionary research and risk analytical services with respect to collateralized mortgage backed securities. This is the only relationship or circumstance where the Firm's affiliate provides this service and the Firm's affiliate will not provide this service to any person, firm or entity other than RGP so long as the Strategic Alliance Agreement remains in force. Providing this service raises no conflict of interest with the Firm or its clients.

Further, as described in Item 4, a Heitman Affiliate anticipates provides sub-advisory services to the Old Mutual Global Property Securities Fund. Old Mutual Investment Management Limited, its sponsor, is also a "related person" in which Old Mutual owns an interest.

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

The Firm has adopted a Code of Ethics (the "Code"), which sets forth standards of business conduct required of all of its officers, managers and employees and requires its employees to maintain integrity and ethical dealings with clients and to comply with all laws and regulations of the various jurisdictions in which the Firm operates. The Code includes the establishment and enforcement of policies and procedures reasonably designed to prevent the misuse of material, nonpublic information.

The Firm and its personnel owe a duty of loyalty, fairness and good faith to its clients and have an obligation to adhere to the specific provisions of the Code as well as the general principles that guide the Code.

The Firm designed the Code to ensure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Code includes policies and procedures for the review of quarterly securities transactions reports and initial and annual securities holdings reports submitted by all of the Firm's access persons and their Family Members. This Code requires the prior approval or prohibition of certain securities transactions. It also contains oversight, enforcement and recordkeeping provisions.

Further, access persons certify on a quarterly basis and supervised persons certify on an annual basis that they have complied with the requirements of the Code. In addition, a mandatory firm-wide compliance meeting is conducted annually. The meeting addresses policies applicable to all employees of the Firm such as review of the Code, privacy compliance and anti-money laundering compliance.

It is possible that related person(s) may have an interest or position in certain securities that the Firm recommends to a client.

The Firm's express policy is that no employee may purchase or sell any security prior to implementing a transaction for an advisory account. This policy is intended to prevent employees from benefitting financially from transactions placed on behalf of advisory accounts.

The Code further includes the Firm's policy prohibiting the use of material non-public information. It informs all employees that such information cannot be used in any capacity.

A copy of the Firm's Code of Ethics is available to its clients and prospective clients via e-mail at randall.ramey@heitman.com or via telephone at 312-425-0260.

As an investment adviser, the Firm has fiduciary responsibilities with respect to each of its clients. This means that the Firm is required to act in each client's best interests and to deal with client assets in such a manner as to benefit the client. Compliance with the Firm's

fiduciary duty can be achieved by trying to avoid conflicts of interest and by fully disclosing all material facts concerning any conflict that does arise with respect to any client. The Firm's employees are required to try to avoid situations that have even the appearance of conflict or impropriety.

Senior officers of the Firm (or their functional equivalent) are also senior officers or related persons of affiliated investment advisers and/or limited partnerships and other similar entities that serve in the capacity of or in a similar capacity to, General Partner of the Heitman Funds. The General Partner has designated the Firm or an affiliate of the Firm as having primary responsibility for investment management and administrative matters, such as accounting, tax and periodic reporting, that pertain to the entities. The Firm and its affiliates and their managers, officers and employees will devote to the entities as much time as necessary and appropriate to manage the entities' business. However, the Firm and its affiliates form additional investment funds, enter into other investment advisory relationships, and engage in other business activities, even though such activities may be in competition with the entities and those other activities may involve substantial time and resources of the Firm and its affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of the Firm's management personnel and employees will not be devoted exclusively to the business of the entities but allocated between the businesses of the entities and those of the Firm's other affiliates.

Certain entities ("Firm Related Entities") have been established to invest in commingled funds or other real estate related investment vehicles sponsored or created by the Firm's parent entity or one of its direct or indirect subsidiaries ("Investment Entities") to develop, acquire, own and/or operate, and ultimately sell interests in office, multi-family residential, industrial, specialty sector, and/or retail properties located principally in North America, Europe and Asia-Pacific regions. The beneficial owners of the Firm Related Entities, in all cases, consist of (i) one or more affiliates of a public company that has subsidiaries that directly and indirectly own 50% of the Firm's parent entity and (ii) present and former employees of the Firm's parent entity or a Heitman Affiliate.

Item 12 Brokerage Practices

The Firm does not use securities brokers in connection with its real estate advisory activities. However, the Firm may invest (i) clients' funds held but not yet invested in real estate, (ii) funds generated from the management of properties, or (iii) sale proceeds of a real estate investment pending distribution to the client. In the United States, such funds are invested primarily in Treasury money market funds and U.S. Government obligations, repurchase agreements and other instruments guaranteed by the United States or U.S. agencies. These investments are strictly incidental to the Firm's real estate advisory activities. In connection with making these investments, the Firm uses the services of large commercial banks to invest in money market funds that invest primarily in the securities investments previously described. The Firm receives no research or soft dollar benefits from such brokerage and believes the commissions or mark-ups are competitive with those that other brokers or dealers charge. On occasion, the Firm also uses unaffiliated real estate brokers that the Firm selects on the basis of (i) the reasonableness of their commissions as compared to other brokers offering similar services and (ii) the ability of such brokers to obtain best execution of the transaction.

Item 13 Review of Accounts

On a monthly or quarterly basis the Firm prepares and delivers to all clients evaluations of their accounts showing cash and current investments by type, market value or unit cost. On an annual basis, the Firm prepares and delivers an annual report to each client which reviews all investments and updates the client on current markets and trends. Depending on the provisions of the IMA, certain reports are audited by an independent accountant. The Firm's employees who conduct these reviews are generally Vice Presidents and above.

Item 14 Client Referrals and Other Compensation

The Firm engages solicitors from time to time to assist in obtaining assignments with clients to manage privately-held real estate investments. In return for these services, the Firm (and not the client) compensates the solicitor out of its investment management fee. The Firm discloses such referral arrangements to its clients as required by applicable law.

Whenever the Firm pays a referral fee, it requires the solicitor to provide the prospective client with a copy of this Brochure and a separate disclosure statement that includes the following information:

- the solicitor's name and relationship with the Firm;
- the fact that the Firm pays solicitor a referral fee;
- the amount of the fee; and
- whether the Firm will charge the client an increase above its normal fees to compensate the solicitor.

As described in Item 10, the Firm may use Heitman Affiliates as placement agents for security offerings of Heitman Funds. Additionally, the Firm's parent has engaged an external placement agent to solicit new business on behalf of the Firm and its Affiliates in Australia and New Zealand. This placement agent markets the Firm's and its Affiliates' investment management capabilities to institutional clients in these locations. In return for these services, the Firm's parent has agreed to compensate the firm. There is no economic impact to those clients that are obtained with the assistance of this placement agent as any fees due are paid by the Firm or Heitman Affiliate out of advisory fees received.

Further, it is the Firm's policy not to accept or allow its related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services it provides to clients.

Item 15 Custody

The Firm invoices fees to each client and, if applicable, to each client's custodian in accordance with the client's IMA. As addressed in Item 5, in certain instances, the Firm directly debits advisory fees from its client accounts.

Because the custodian does not calculate the amount of the deductible fee, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation,

among other things. Clients should contact the Firm directly if they believe that there may be an error in their statement.

In addition, the Firm sends account statements directly to its clients on at least a quarterly basis. The Firm urges its clients to carefully compare the information on these statements to ensure that all account transactions and holdings are correct and current.

The Firm may have custody of client funds through bank accounts maintained by the Firm for the benefit of the client and may have custody of client funds by virtue of having signatory authority in property-level bank accounts. Due to the manner in which the Firm is paid and its control over client assets when acting as general partner (or similar capacity), the Firm and certain Heitman Affiliates are deemed to have custody of the cash and securities of the funds.

The Firm has adopted various procedures to implement the Firm's Custody Policy and ensure the Firm's policy is observed. Such procedures include:

- Securities and funds of custodial clients are maintained with a "qualified custodian" and held in the client's name or in accounts captioned as an agent or trustee or other similar language for the clients;
- When the Firm and/or Heitman Affiliate acts as either general partner, managing member, or in some similar capacity, the Firm will ensure that it undergoes, at least annually, a surprise examination of the funds, securities and/or assets over which the Firm has custody by an independent accountant or that the pooled investment vehicle prepares annual audited financial statements which are distributed to investors of the vehicle within 120 days of each vehicle's fiscal year end.

Item 16 Investment Discretion

Investors who commit to invest in a Heitman Fund must agree to the provisions of the entity's formation documents, including the Subscription Agreement or Participation Agreement and the Private Placement Memorandum, which in all cases grants full control and discretion to the Firm. That is, the Firm has the power to direct the Heitman Fund's assets without prior consultation with its investors in accordance with the Heitman Fund's investment guidelines.

Clients may also choose to enter into an IMA that engages the Firm to invest the client's funds in one or more individual real estate investments that are consistent with the specific investment objectives and strategies of the client and that are set forth in the IMA. In some cases, the client may elect to give the Firm complete discretion to make investments within the parameters established by the IMA. The Firm refers to these relationships as discretionary accounts. The Firm considers client portfolios to be discretionary if the Firm has sole or primary responsibility for major investment decisions, such as portfolio strategy, investment structuring, acquisition and disposition of assets and valuation of assets.

Clients give the Firm discretionary authority when they sign a discretionary agreement with the Firm and may limit this authority by giving the Firm written instructions. Clients may also change or amend such limitations by providing the Firm with additional written instructions at

some later point in time. In other cases, the IMA provides that the Firm must submit the proposed investment to the client or the client's representatives for approval and authorization to invest. The Firm refers to these relationships as non-discretionary accounts.

Item 17 Voting Client Securities

The firm does not vote any proxies.

Item 18 Financial Information

Under no circumstances does the Firm require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of rendering services. Therefore, the SEC does not require the Firm to include in this Brochure a balance sheet for its most recent fiscal year.

As an advisory firm that has complete or partial discretionary authority for some client accounts and is deemed to have custody with respect to client accounts as described in Item 15, the Firm must disclose any financial condition that is reasonably likely to impair its ability to meet its contractual obligations. Other items of this Brochure have disclosed all of the conditions that are likely to affect the Firm's contractual obligations with respect to its clients. Thus, the Firm has no additional conditions to report in this item.

The Firm has not been the subject of a bankruptcy petition at any time.